

## **DIGITAL VALUE S.p.A.**

REGISTERED OFFICE IN ROME, VIA DELLA MAGLIANELLA 65/E

SUBSCRIBED AND PAID-UP SHARE CAPITAL €1,554,957.60

REA (Economic and Administrative Register) No: 1554887

ROME COMPANIES REGISTER AND TAX CODE NO: 10400090964

## **CONSOLIDATED AND SEPARATE FINANCIAL REPORT**

**As at 31 December 2022**

## CONTENTS

CORPORATE GOVERNANCE.....	3
Board of Directors.....	3
Board of Statutory Auditors .....	3
Independent auditors .....	3
Supervisory Body .....	3
NOMAD.....	3
DIRECTORS 'REPORT.....	4
Introduction.....	4
Main shareholders and share performance .....	4
Macro-economic framework.....	7
Development of demand and performance of the sector in which the Group operates .....	9
Analysis of the economic and financial situation of the Group .....	13
Analysis of the economic and financial position of the Parent Company .....	13
Performance of Group companies.....	24
Main risks and uncertainties related to operations.....	26
Other information.....	29
CONSOLIDATED FINANCIAL STATEMENTS.....	32
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2022 .....	37
SEPARATE FINANCIAL STATEMENTS .....	80
EXPLANATORY NOTES TO THE SEPARATE FINANCIAL REPORT AS AT 31 DECEMBER 2022 .....	85

**Board of Directors**

Executive Chairman	Massimo Rossi
Executive Director	Paolo Vantellini
Director	Riccardo Benedini
Director	Marco Patuano
Independent Director	Maria Grazia Filippini
Independent Director	Mario Vitale
Independent Director	Maria Luisa Mosconi

The Chairman is vested with all management powers and legal representation.

The Managing Director, Mr. Paolo Vantellini has delegated powers for the Administration, Finance, Management Control, Communication, HR, Purchasing and Logistics, Corporate Office and Institutional Relations functions of the Company.

**Board of Statutory Auditors**

Chairman	Roberto Moro
Standing auditor	Luca Viarengo
Statutory Auditor	Sergio Marchese
Alternate Auditor	Paola Ginevri Latoni
Alternate Auditor	Gian Luca Succi

**Supervisory Body**

Alessia Egidi  
Michele Bencini  
Agostino Scarano

**Independent Auditor**

BDO ITALIA S.p.A.

**NOMAD**

CFO SIM

## DIRECTORS' REPORT

### INTRODUCTION

The Consolidated and Separate Financial Report of Digital Value S.p.A. ("Parent Company" and, with reference to the scope of consolidation, "Group") as at 31 December 2022 was prepared in compliance with the IAS-IFRS international accounting standards.

This report provides the most significant information on the economic and financial situation of Digital Value S.p.A. and its Group.

The amounts in the statements, tables and explanatory notes are expressed in thousands of Euro.

The Financial Report for the year ended 31 December 2022 shows a consolidated net profit of €34.0 million and a separate net profit of €27.6 million.

Listed on the multilateral "Euronext-Growth Milan" trading system, organised and managed by Borsa Italiana S.p.A., as from 8 November 2018, Digital Value S.p.A. is the result of the integration of two leading companies in the Large Account segment of the Technology & Service Solutions sector: Italware S.r.l. and ITD Solutions S.p.A., as well as of the subsequent acquisition of TT Tecnosistemi S.p.A. Società Benefit.

The Digital Value Group is today one of the largest ICT Solution and System Integrators in Italy and carries out research, design, development and marketing of ICT solutions and services for the digitalisation of Large Account customers operating in strategic sectors of the country's economy (Telecommunications, Transport, Utilities, Finance, Industry and Public Administration).

### MAIN SHAREHOLDERS AND SHARE PERFORMANCE

The subscribed and paid-in share capital to date is €1,555 thousand and is represented by 9,969,576 shares with no face value broken down as follows:

Description	Number
Ordinary shares	9,969,576
	9,969,576

The following table shows, according to the disclosures of the shareholders' register as well as on the basis of other information available to Digital Value S.p.A., the shareholders who hold a percentage of more than 5% of its share capital.

Shareholder	No. of shares with voting rights	% of share capital
DV Holding S.p.A.	6,452,233	64.719%

It should be noted that in February 2021, in execution of the resolutions of the Ordinary Shareholders' Meeting of 30 April 2021 and the subsequent one of 29 April 2022, the Company launched a programme for the purchase of treasury shares as a useful strategic investment opportunity for any purpose permitted by current legal provisions. The purchases may concern a maximum number of 100,000 ordinary shares of the Company, with no indication of the face value, for a maximum total value established at €10,000,000.

At the date of this Report, 15,144 shares have been purchased, for a total value of €1,004 thousand.

The price of the Digital Value security as at 31 December 2022 was €66.70, compared to the price recorded as at 31 December 2021, equal to €114.00.

On 6 March 2023, the share closed with a price of €72.90 and a market capitalisation of €726,782,090.

On 1 December 2021, the Digital Value share was included in the MSCI World Small Cap Index. The "MSCI World Small Cap" index, launched in January 2021, represents the main Small Cap companies listed in 23 countries among the most developed markets.

With 4,419 companies, this index covers approximately 14% of the market capitalisation (free-float) for each country.

In June 2022, Digital Value S.p.A. joined Euronext Tech Leaders, an initiative reserved to leading and high-growth Tech companies on the European scene.

On 24 February 2023, the Board of Directors of Digital Value S.p.A. approved the launch of the project for the listing of the Company's shares on Euronext Milan, the regulated market organised and managed by Borsa Italiana S.p.A. for medium and large capitalised companies (formerly called "M.T.A."). The project will be submitted to the approval of the next Shareholders' Meeting scheduled for 5 April 2023 in first call and 6 April 2023 in second call.

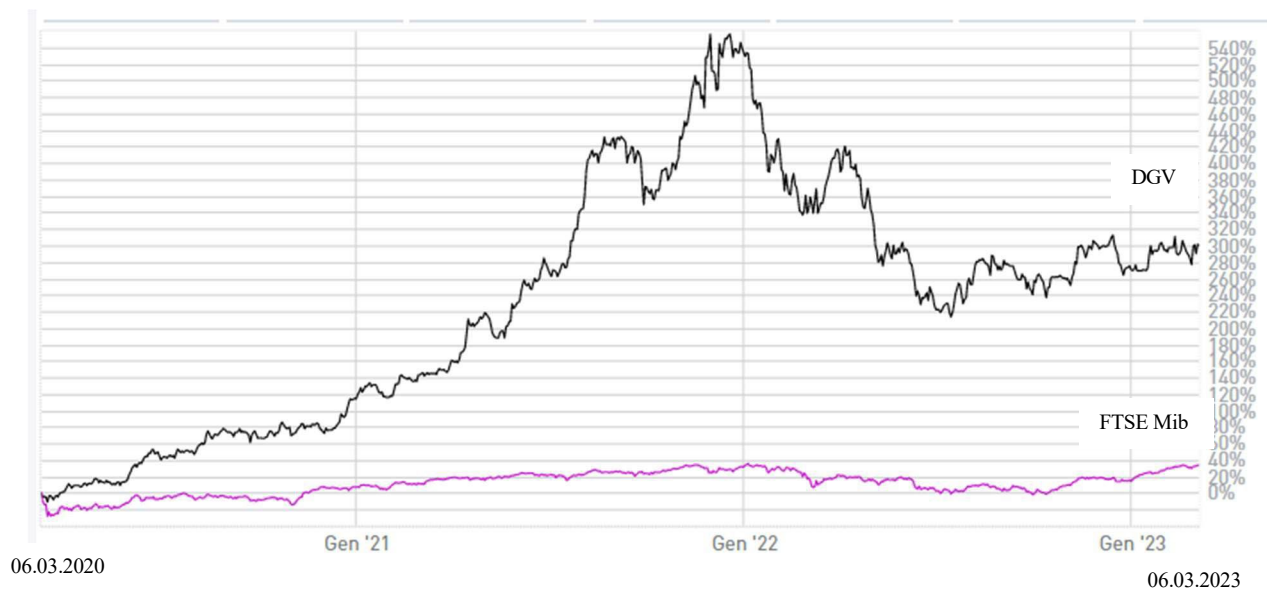
The translisting operation on the Euronext Milan regulated market is aimed at allowing the Company to benefit from the greater liquidity of its securities and visibility from the market and institutional investors.

At the same time, the transition to the regulated market will strengthen the now consolidated relationships with its strategic partners, as well as make it possible to involve additional institutional investors with a view to a progressive enhancement of the Digital Value group, its brand and its competitive positioning.

The transaction is subject to the approval of the Shareholders' Meeting, the completion of the formal and substantive obligations required by the Authorities and the necessary authorisations by the same following the related investigations.

The chart below shows the performance of the DGV share in the period from 1 January 2022 to 31 December 2022 and the comparison with the FTSE Mib index, and a subsequent chart that indicates the performance of the DGV share over the last three years (6 March 2020 - 6 March 2023), again in comparison with the FTSE Mib index:

## STOCKS EVOLUTION



## MACRO-ECONOMIC FRAMEWORK

During 2022, the global economy experienced a slowdown in growth, due to post-pandemic tail effects (in particular on the logistics production chain) and the destabilisation of the energy and raw materials markets caused by the Russian-Ukrainian conflict.

In particular, the closure measures adopted by the Chinese government to support its zero-Covid strategy slowed down its growth pace and the repercussions have been particularly apparent both for the eastern economies and for the Asian giant's western partners, without ignoring the consequent effects on goods logistics.

The war waged by Russia against Ukraine has created a supply shock on the energy commodity markets, determining a series of cascading effects that, starting from the European Community, have extended to many Asian economies. Starting from spring 2022, the price of methane experienced an unprecedented spike in world history, causing a more than 10-fold increase in costs for importing countries and completely redrawing supply sources' geopolitical situation for both EU countries and for a large part of the Asian nations importing energy resources.

The dynamics of the oil products market suffered a lower shock given that the embargo measures defined by the European Union against Russia were less effective than the change in methane procurement policies.

The combined effect of tensions in energy markets, the effect of post-Covid stimuli in Western economies (EU and USA) achieved by injecting huge monetary volumes in the form of subsidies and subsidised loans, and the volatility of commodities markets have significantly fuelled inflation. Although sustained for different reasons, inflation in the EU and in the USA has reached levels unseen for decades and has led to the abrupt reaction of Central Banks all over the world after a long period when the cost of money had remained close to zero, acting on the interest rates.

The rapid increase in the cost of money and the abrupt reduction in the credit availability on international markets have affected consumption and private investments, as well as caused a sharp slowdown in economic growth.

According to the preliminary estimate of the World Bank, the estimated growth of world GDP is estimated to be around an average of 2.9% in 2022 compared to a growth of 5.9% in the previous year.

After strong growth in the first half of the year, economic activity in the Eurozone suffered a net slowdown and the macroeconomic projections formulated in December by Eurosystem experts predict annual GDP in real terms of 3.4% in 2022.

As regards Italy, GDP showed an increase in the first three quarters of the year. According to Bank of Italy estimates, economic activity weakened in the fourth quarter compared with the previous period due to persistently high energy prices and the softening of recovery in the sectors most affected by the pandemic such as trade, transport and accommodation services. Overall, however, GDP is expected to have increased by almost 4% in 2022.

With reference to exchange rates, the divergence between the monetary policy of the European Central Bank and that of the Federal Reserve saw the Euro gradually weaken against the US dollar in 2022; the Euro/USD exchange rate started from average values of 1.13 in January and February, reached a low of 0.98 in October, and then returned to 1.06 in December. The average Euro/USD exchange in 2022 was 1.05, down 11.0% compared to 2021.

The outlook for the global economy expressed in January by the World Bank deteriorated following increased geopolitical uncertainty, high and constantly rising inflation as well as difficult financial conditions. A deterioration is expected in a generalised form at a global level.

The outlook for the Eurozone deteriorated slightly, projecting weaker growth than previous estimates. Eurosystem experts expect a short and light recession at the turn of the year. The sharp increase in costs, particularly in energy-intensive sectors, is expected to cause a reduction in production. The increase in real GDP in 2023 is estimated at +0.5% and to then rise again to 1.9% in 2024. Compared to the September projections, the outlook for GDP has been revised downwards by 0.4 percentage points for 2023, while they remain unchanged for 2024.

As regards Italy, according to the Bank of Italy, economic activity weakened in the last few months of the year and is expected to remain weak also in the first quarter of 2023 to gradually recover from spring onwards; growth is expected to be stronger from 2024, in conjunction with the decrease in inflationary pressures. On average, GDP is expected to increase by 0.6% in 2023 and by 1.2% in 2024. The unemployment rate is expected to gradually decrease from 8.2% on average in 2023 to 7.9% in 2024.

In a context of exceptional uncertainty, Eurosystem experts have significantly revised upwards inflation projections for the Eurozone, which is expected to fall from an average of 8.4% in 2022 to 6.3% in 2023, to then decrease to 3.4% in 2024. The fall in inflation over the reference time period reflects the effects of the decreases related to the energy component, the gradual impact of the normalisation of the ECB's monetary policy, the weaker prospects for growth and the decrease in food commodity prices.



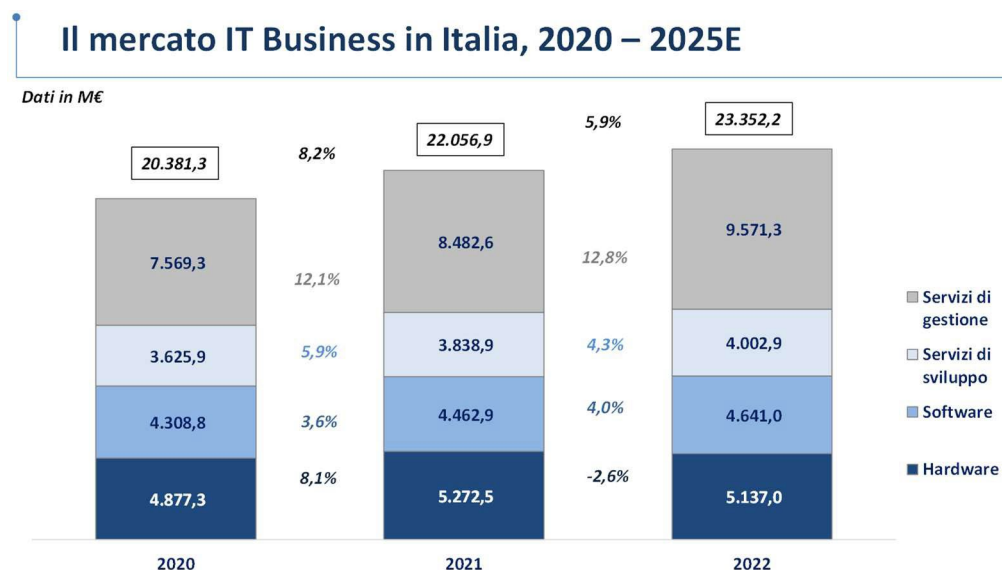
As regards Italy, the consumer price index, equal to 8.2% in 2022, is expected to reach 6.5% in 2023, and then fall to 2.6% in 2024. This decrease strongly depends on the assumption of a progressive decrease in the prices of raw materials, whose effects would be only partially offset by the acceleration in wages.

The projections formulated by the main analysts indicate the Euro/USD exchange rate to fluctuate between 1.05 and 1.15 in the 2023-2024 two-year period.

## DEVELOPMENT OF DEMAND AND PERFORMANCE OF THE SECTOR IN WHICH THE GROUP OPERATES

In 2022, the Italian Information & Communication Technology market had a total size of €23.4bn, divided into four main segments:

- Hardware <sup>2</sup> (€5.14bn);
- Software <sup>3</sup> (€4.64bn);
- Development Services <sup>4</sup> (€4.00bn);
- Managed Services <sup>5</sup> (€9.57bn).



SIRMI per Digital Value  
Marzo 2023

Pag. 1

**sirmi**  
NetConsulting<sup>3</sup> Group

<sup>1</sup> Source: SIRM market analysis 2022

<sup>2</sup> Mainframe; Server; Storage; PCs and Tablets; Monitors; Printers and consumables; Networking; Security HW and Appliance; POS; Accessories and other HW

<sup>3</sup> Operating systems; Infrastructure software; Productivity and CPM; Application Software

<sup>4</sup> Professional Services for custom SW development; Professional SW maintenance services; System Integration; Training; ICT consulting

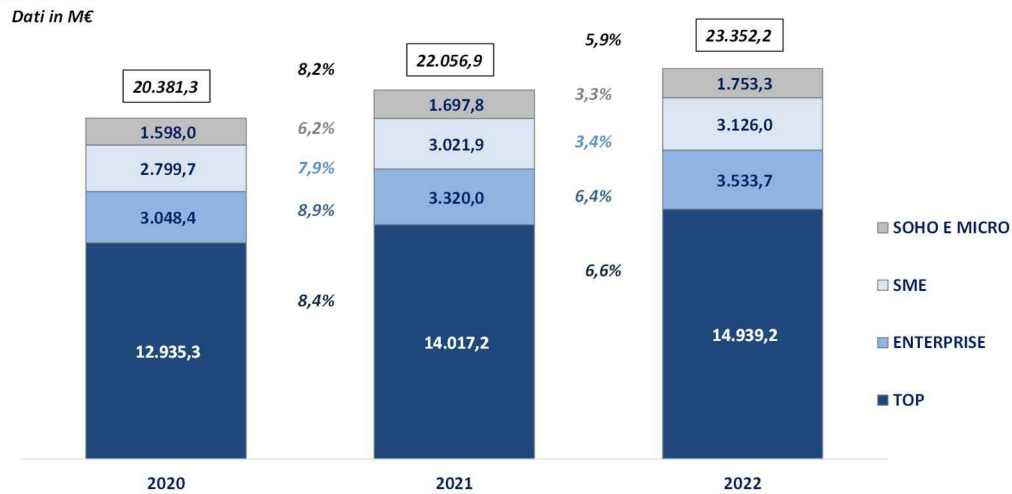
<sup>5</sup> Data Processing; Outsourcing Information System; Document management outsourcing; Desktop and Fleet Management; Application Management; Cloud Computing (IaaS, PaaS, SaaS); Hosting; Housing & Colocation; Hardware Maintenance

In the 2020-2022 period, the Italian market grew at an average compound annual rate (CAGR) of approx. 7% (approx. 8% in 2021 vs. 2020; approx. 6% in 2022 vs 2021); this trend, beyond historical market dynamics, was strongly influenced by the macroeconomic dynamics described above. In detail:

- **Hardware:** the market in Italy is equal to €5,137 million, whose performance compared to 2021 recorded a contraction of -2.6%, reversing the 2021 trend which recorded a year-on-year growth of 8.1% compared to 2020, benefiting from the effects of the widespread use of “remote working”. In fact, the contraction is mainly linked to the slowdown of approximately -11.3% in PCs, Tablets and Printers compared to the growth of 10.4% in the previous year;
- **Software:** equal to €4,641 million, an increase of 4.0% compared to the previous year and an acceleration compared to the growth of 3.6% in 2021. The main effect is due to the growth in infrastructure software, up by €98 million;
- **Development Services:** valued at €4,003 million, up by €164 million compared to 2021 but down compared to the growth of the previous year of €213 million, due to a slowdown in professional services, which went from +4.3% in 2022 compared to 2021 from +6.4% in 2021 compared to 2020;
- **Management Services:** amounted to €9,571 million, constantly accelerating with a defined growth of +12.8%, + €1,089 million in 2022/2021, compared to +12.8%, + €913 million in 2021/2022 due to the spread of Cloud Services offered in a “as a Service” mode, which increased to 54% of the Services Managed compared to 49%. In this area, growth is mainly driven by “Infrastructure as a Service” and “Software as a Service” services, which represent over 60% of the segment and had a weighted average growth in 2020/2022 of over 20%.

With regard to the distribution of the IT market by size of the companies representing the demand, it is noted that approximately €14.9 billion (or over 63%) are concentrated on large customers (“TOP” category), which represent the segment reference point on which the DGV Group operates.

## Il mercato IT Business in Italia per dimensione aziendale, 2020 – 2025E



SIRMI per Digital Value  
Marzo 2023

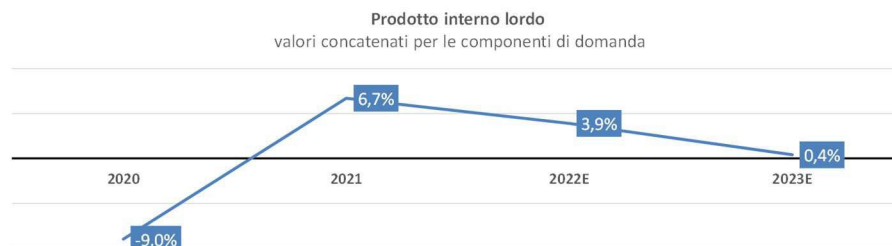
Fonte: Elaborazioni Sirmi, marzo 2023

Pag. 2

 **simi**  
NetConsulting<sup>3</sup> Group

The evolution of the Italian Information & Communication Technology market in 2023 will be influenced by the combination at macro level of the expected GDP evolution and the persisting of the repercussions of the increase in energy and raw material prices.

## La crescita del PIL in Italia



SIRMI per Digital Value  
Marzo 2023

Fonte: Istat, Dicembre 2022

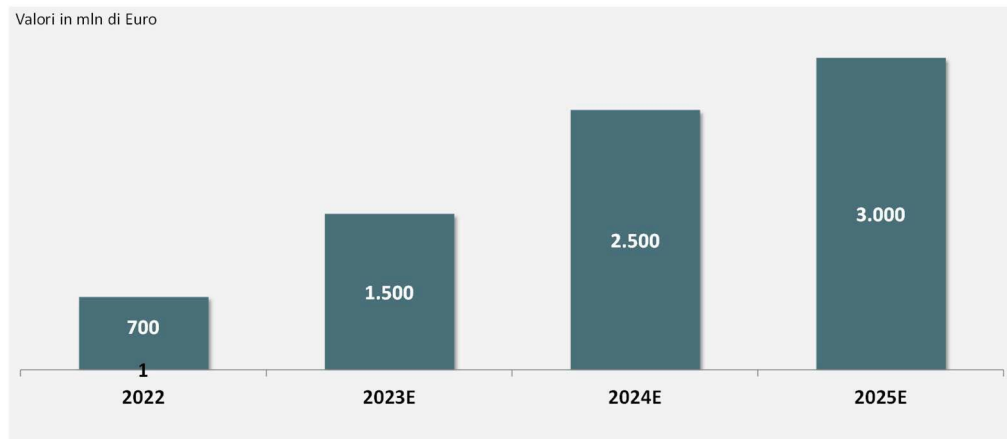
Pag. 0

 **simi**  
NetConsulting<sup>3</sup> Group

At microeconomic level, the sector will be influenced by the progressive increase in the resources of the National Recovery and Resilience Plan, by the role of the National Strategic Hub

and of the Cloud in Public Administration and by investments in Cybersecurity identified as a key factor for the country digitalisation

### Previsioni di impatto Pnrr sul Mercato Business



SIRMI per Digital Value  
Marzo 2023

Fonte: Elaborazioni Sirmi, marzo 2023

Pag. 3

 **simi**  
NetConsulting<sup>3</sup> Group

The combined effect of the main phenomena described together with the industrial dynamics in progress leads to an estimate of the Italian Information & Communication Technology market in 2023 at an aggregate amount of €24.9 billion, i.e. an increase of 6.5% compared to 2022, therefore, showing a recovery in the expansionary trend temporarily slowed down in 2022.

In detail, the growth will be driven by Management Services - including the Cloud in IaaS, PaaS and SaaS mode, with growth of more than 20% - the recovery of Software and Development Services and the stabilisation of the Hardware segment compared to the negative growth recorded in 2022.

With reference to the Customer segments of the Digital Value Group by size, an acceleration in the growth of the "TOP" segment of approximately 7% year on year is projected, mainly in the areas of Public Administration (+10%) and Banks (+7%) and, secondarily, Telco and Industry (+5%).

## Analysis of the economic and financial situation of the Group,

### Consolidated operating results

The reclassified consolidated income statement (in € thousands) as at 31 December 2022 is provided below. The income statement is compared with the correspondent period of the previous year.

Reclassified consolidated income statement	31/12/2022	31/12/2021	% Change
<b>Revenues from sales and services</b>	<b>706,178</b>	<b>555,912</b>	
Other revenues and income	2,334	1,865	
<b>Total Revenues and Other Income</b>	<b>708,512</b>	<b>557,777</b>	<b>27.0%</b>
Costs for the purchase of products	507,337	434,626	
Costs for services and use of third party assets	104,229	47,776	
Labour costs	22,318	17,431	
Other operating charges	1057	468	
<b>Total Costs for the purchase of products and Operating expenses</b>	<b>634,940</b>	<b>500,301</b>	<b>26.9%</b>
<b>Gross operating margin (EBITDA)</b>	<b>73,572</b>	<b>57,476</b>	<b>28.0%</b>
Depreciation and amortisation	21,466	12,134	
Allowance for doubtful debts and provision for risks	1047	826	
<b>Operating result (EBIT)</b>	<b>51,058</b>	<b>44,516</b>	<b>14.7%</b>
Non-recurring costs	1,029	376	
Financial income and charges	1,711	715	
Value adjustments to financial assets	350	6	
<b>Earnings before taxes (EBT)</b>	<b>47,968</b>	<b>43,419</b>	<b>10.5%</b>
Income taxes	13,942	12,799	
<b>Net profit (loss)</b>	<b>34,027</b>	<b>30,620</b>	<b>11.1%</b>
<i>Group net profit (loss)</i>	<i>33,949</i>	<i>30,129</i>	
<i>Third party net profit (loss)</i>	<i>77</i>	<i>491</i>	

**Net revenue of €706.2 million, up by €150.7 million, + 27.0%** compared to the previous year (considering the revenues of TT Tecnosistemi S.p.A. for the entire year 2021, the growth on a like-for-like basis would have been €111.0 million, corresponding to +18.6%); the increase is attributable to the company's organic growth and to the line-by-line consolidation of TT Tecnosistemi S.p.A.

For a more comprehensive representation of the acquisition of TT Tecnosistemi S.p.A., which took place in November 2021, as a result of which the subsidiary contributed to the economic growth of the Group for only two months in 2021 and for the entire year in 2022, the main items of the Income Statement are shown below, differentiating this contribution from organic growth:

Reclassified consolidated income statement	31/12/2022	31/12/2021	Change	of which organic growth	%	of which contribution of TT Tecnosistemi S.r.l.	%
<i>(in € thousand, ratios and percentages)</i>							
<b>Total Revenues and Other Income</b>	<b>708,512</b>	<b>557,777</b>	<b>150,735</b>	<b>106,436</b>	<b>70.6%</b>	<b>44,299</b>	<b>29.4%</b>
Costs for the purchase of products	507,337	434,626	72,711	48,251	66.4%	24,460	33.6%
Costs for services and use of third party assets	104,229	47,776	56,453	46,796	82.9%	9,657	17.1%
Labour costs	22,318	17,431	4,887	739	15.1%	4,147	84.9%
Other operating charges	1,057	468	589	402	68.3%	186	31.7%
<b>Total Costs for the purchase of products and Operating expenses</b>	<b>634,940</b>	<b>500,301</b>	<b>134,639</b>	<b>96,188</b>	<b>71.4%</b>	<b>38,451</b>	<b>28.6%</b>
<b>Gross operating margin (EBITDA)*</b>	<b>73,572</b>	<b>57,476</b>	<b>16,096</b>	<b>10,248</b>	<b>63.7%</b>	<b>5,848</b>	<b>36.3%</b>
Depreciation and amortisation	21,466	12,134	9,332	6,756	72.4%	2,577	27.6%
Allowance for doubtful debts and provision for risks	1,047	826	221	205	93.0%	15	7.0%
<b>Operating result (EBIT)</b>	<b>51,058</b>	<b>44,516</b>	<b>6,542</b>	<b>3,286</b>	<b>50.2%</b>	<b>3,256</b>	<b>49.8%</b>

\*Net of non-recurring costs

As can be seen from the table above, as at 31 December 2022 the total of the item Group Revenues and Other Income amounted to €708,512 thousand, recording an increase of €150,735 thousand (+27.0%) compared to the previous year; the increase is attributable for €106,436 thousand (equal to 19.1%) to the Group's organic growth and for €44,299 thousand (equal to 7.9%) to the contribution deriving from the consolidation of TT Tecnosistemi S.p.A.

This result was achieved thanks to the competitive positioning of the Group companies on the reference ICT market (ICT Infrastructure & Managed Services) in the Large Customers segment, based on an increasingly wide range of technological solutions and partnerships with international vendors and on certified professional skills professionals of Digital Value personnel who have made it possible to provide a growing variety of services. Today Digital Value is the leading player in the Italian market (in terms of size and variety of offerings) in the Digital Transformation Journey of the Large & Top Enterprises market, working with its customers from the redesign of personal productivity stations to the design-implementation-management of Data Centre infrastructure, the integral management of data (transport, archiving, management and analysis), the security of ICT solutions, the development of the most Digital Business Transformation innovative paths.

An analysis of the **Consolidated Revenues by Business Line** shows:

- **Next Generation Data Centre:** revenues of €298 million, with growth of €20.8 million (+7.5%) compared to 2021\*; DV also confirmed its leadership in the Italian market in the NG-DC segment in the first half year of 2022, representing the segment that has been the Group's core market for years and which includes activities and services relating to (physical and virtual) Data Centre infrastructures, the related Networks and their security;
- **Digital Business Transformation:** revenues of €237 million, an increase of €88 million (+59.2%) compared to 2021\*; activities related to Digital Business Transformation represent the sector with the highest growth rates in 2022, including projects engineered and implemented to support customers in the development and management of Edge Computing infrastructures, in solutions for Big Data Analytics, in the implementation of Cloud Software Platforms provided in IAAS, PAAS and SAAS mode, as well as in secure Integration and Video Communication services.

In this context, in December 2022 Digital Value achieved the Oracle Cloud Solution Provider (CSP) certification, thus becoming one of only three Oracle Italian Partners to have already achieved this result.

- **Smart Workplace Transformation:** revenues of €173 million, an increase of €2 million (+1.1%) compared to 2021\*; in a shrinking market environment, the activities relating to Smart Workplaces have been confirmed thanks to the growth of the service component, making it possible to improve Customer bonding;

\* Figure which includes the economic results of TT Tecnosistemi S.p.A. for the entire year 2021.

With reference to the **main projects awarded** in 2022, the following should be noted:

- the contractual extension as at 31 December 2022 of 90,000 workstations with low environmental impact and related services for a value of €46 million, whose installation and invoicing has begun, in addition to the 180,000 workstations for a value of €92 million contracted in 2021 and in the process of being supplied;
- the final adjudication of 135,000 workstations with low environmental impact and related services for a value of €79 million in addition to any contractual extensions lasting 12 + 6 months, which will be invoiced starting from 2023; - The contractualisation, with some of the most significant Italian public administrations, of 27,000 mobile workstations and related services for a value of €20 million, with supply starts in July 2022 for the following 6 months;
- the adjudication of a 5-year contract with the Bank of Italy for the supply of engineered systems for the management of Oracle databases and specialised equipment for data backup, through the consolidation of the IT infrastructure



meeting the requirements of automation, increased performance and ease of management set out by the bank;

- contractualisation for 36 months with a leading national insurance institution for the migration to the Cloud and the design of new applications, data management and the evolution of Disaster Recovery solutions;
- the signature of a 3-year agreement with a leading customer in the world of taxation, in a Temporary Business Grouping with an important national operator in the Telco world, for the supply and maintenance of hyperconverged virtualisation and cloud systems, as well as the maintenance service of existing systems;
- the signature of a 3 years contract with one of the largest European operators in the Energy & Utilities sector for the consolidation, efficiency and development of Data Centre and Networking Infrastructures. In particular, based on the Group's multiple partnerships, the project will be developed in the different areas of consolidation of the existing Data Centres and in the creation of a Disaster Recovery site; of Server and Network virtualisation, Application modernisation and Cybersecurity, as well as in the efficiency and resilience of the IP network and related connectivity;
- the contractualisation for 3 years with a leading national multi-utility entity operating in 76 local offices of smart workplace transformation services with the proposal of a service that, in addition to operations, also has an innovative coordination and governance component to ensure the efficiency of services, compliance with the agreed service levels and their continuous improvement;
- the supply, in collaboration with an important international trader, of all the infrastructure for the development, testing and inspection of commercial applications of one of the largest European operators in the Transportation sector for a period of 5 years;
- the supply and maintenance for 5 years of technological solutions and creation of hyperconverged platforms within the Data Centres of the “on board distributed systems” as part of the Naval communications systems of a leading European trader in the Transportation - Marine sector;
- the activation for 3 years of a Network Operation Centre (NOC) service, of Single Point of Contact (SPOC) and related on-site maintenance throughout the country to monitor the infrastructures with 24/7 service levels (SLA) for customers of 7 Private Public Administration for 170,000 devices managed per year, 220,000 1st and 2nd level tickets per year and 22,000 on-site interventions per year.

**EBITDA amounted to €73.6 million, (+€16.1 million, corresponding to an increase of 28.0% vs 2021 - however, considering the EBITDA contributed by TT Tecnosistemi for the entire year 2021, the increase would have been €12.4 million, equal to +20.3% vs 2021); therefore, Digital Value confirms also for 2022 an EBITDA margin**



of 10.4% of net revenues thanks to the focus on a value strategy and persistent control of operating expenses.

**EBIT stood at €51.1 million** (+€6.5 million, correspondent to an increase of +14.7% vs 2021; however, considering the EBIT contributed by TT Tecnosistemi for the entire year 2021, the increase would have been €5.3 million, equal to +11.5% vs 2021).

**The net result for the period** is equal to **€34.0 million**, of which €0.1 million attributable to third-party interests, with an **increase of €3.4 million (+11.1%) compared to 31 December 2021** (however, considering the result contributed by TT Tecnosistemi for the entire year 2021, the increase would have been equal to €2.4 million, equivalent to +7.6% vs 2021).

### Consolidated balance sheet

The reclassified balance sheet as at 31 December 2022 is provided below:

Reclassified consolidated balance sheet	31/12/2022	31/12/2021
Intangible fixed assets	5,348	6,260
Goodwill	23,746	17,875
Tangible fixed assets	50,864	45,239
Equity investments	167	264
Other non-current assets and deferred tax assets	236	333
<b>Total non-current assets</b>	<b>80,360</b>	<b>69,972</b>
Inventories	234,924	169,082
Trade receivables	162,864	155,440
Other current assets	41,939	32,949
<b>Current operating assets</b>	<b>439,726</b>	<b>357,471</b>
Trade payables*	363,184	282,704
Other current payables	12,574	16,941
<b>Short-term operating liabilities</b>	<b>375,759</b>	<b>299,645</b>
<b>Net working capital</b>	<b>144,328</b>	<b>127,798</b>
Provisions and other non-current liabilities	2,970	3,502
<b>Net non-current liabilities</b>	<b>2,970</b>	<b>3,502</b>
<b>Net Invested Capital</b>	<b>141,358</b>	<b>124,296</b>
<b>Group shareholders' equity</b>	<b>156,863</b>	<b>123,671</b>
<b>Third party shareholders' equity</b>	<b>919</b>	<b>5,482</b>
Net Medium-term Financial Position	64,398	73,000
Net Short-term Financial Position	-80,822	-77,856
<b>Tot. Net Financial Position (Net Liquidity)</b>	<b>-16,424</b>	<b>-4,856</b>
<b>Shareholders' equity and Net Financial Position</b>	<b>141,358</b>	<b>124,296</b>

\* It should be noted that trade payables due beyond 12 months of €1,476 thousand in 2022 and €623 thousand in 2021 were reclassified under the medium-term NFP.

Net borrowings are equal to **€16.4 million**, an improvement of €11.6 million compared to the end of the previous year.

The Group's net borrowings (amounts in € thousand) as at 31 December 2022 according to the ESMA format are detailed below. For a better representation, in line with ESMA recommendations, the comparative data were restated.

(in €/thousand)	As at 31 December 2022	As at 31 December 2021	Changes in 2022 vs. 2021	2022 Change e% vs 2021
A. Cash and cash equivalents	- 109,898	- 112,133	2,234	-2%
B. Cash and cash equivalents	- 4,747	-	- 4,747	100%
C. Other current financial assets	-	-	-	-
<b>D. Liquidity (A)+(B)+(C)</b>	<b>-114,645</b>	<b>-112,133</b>	<b>-2,513</b>	<b>2%</b>
(E) Short-term borrowings	15,472	18,352	-2,880	-16%
(F) Current portion of long-term borrowings	18,351	15,925	2,426	15%
<b>(G) Short-term borrowings (E)+(F)</b>	<b>33,823</b>	<b>34,277</b>	<b>-454</b>	<b>-1%</b>
<b>(H) Short-term borrowings net (G)-(D)</b>	<b>-80,822</b>	<b>-77,856</b>	<b>-2,966</b>	<b>4%</b>
(I) Non-current borrowings (excluding current portion and debt instruments)	44,237	56,588	- 12,351	-22%
(J) Debt instruments	-	-	-	-
(K) Trade and other non-current payables	20,161	16,411	3,749	23%
<b>(L) Long-term borrowings (I)+(J)+(K)</b>	<b>64,398</b>	<b>73,000</b>	<b>-8,602</b>	<b>-12%</b>
<b>(M) Total borrowings (H)+(L)</b>	<b>-16,424</b>	<b>-4,856</b>	<b>-11,568</b>	<b>238%</b>

**Investments amount to €26.2 million**, almost entirely attributable to On Infrastructure On Premise as-a-Service solutions with some Tier I customers on contracts with a duration of no less than three years, which include an important service component.

With reference to Financial Management, considering the high growth rates recorded as well as the macroeconomic dynamics described above in terms of inflation and the increase in the cost of money, Digital Value pays particular attention to Net Working Capital dynamics. Whenever possible, Digital Value ensures alignment in the collection/payment terms in order to avoid mismatches in the cash flow cycle. To support the current treasury management, where necessary, the Group makes use of non-recourse factoring contracts without notice for

trade receivables or activates specific agreements for renegotiating payment terms with the main suppliers. Lastly, in the case of multi-year commercial contracts, Digital Value has stipulated loan agreements of equal duration to align the Company's financial cycle. In financial terms, therefore, the Group funds the cash requirements related to its current operations mainly through the cash flow generated by its activities.

### Analysis by ratios

Profitability ratios	31/12/2022	31/12/2021
ROI (EBIT/Current assets + Non-current assets)	9.8%	10.4%
ROS (EBIT/Revenues from sales)	7.2%	8.0%
ROE (Net profit/Shareholders' equity)	21.6%	24.4%

Capital and liquidity ratios	31/12/2022	31/12/2021
Primary liquidity (Cash and cash equivalents/Current liabilities)	30.5%	37.4%
General liquidity (Current assets/Current liabilities)	117.0%	119.3%

## Analysis of the economic and financial position of the Parent Company, Separate operating results

The reclassified separate income statement (in € thousands) as at 31 December 2022 is provided below. The income statement is compared with the correspondent period of the previous year.

Reclassified separate income statement	31/12/2022	31/12/2021
Revenues	5,135	4,700
Other income	54	13
<b>Total revenues and other income</b>	<b>5,189</b>	<b>4,713</b>
Consumables and goods	(86)	0
Change in inventories	0	0
Costs for services	(3,983)	(2,962)
Costs for use of third party assets	(21)	(10)
Personnel expenses	(3,276)	(1,965)
Other operating expenses	(33)	(19)
<b>Total Costs for the purchase of products and operating expenses</b>	<b>(7,400)</b>	<b>(4,955)</b>
<b>Gross operating margin</b>	<b>(2,211)</b>	<b>(242)</b>
Amortisation, depreciation and write-downs	(64)	(31)
<b>Operating result (EBIT)</b>	<b>(2,275)</b>	<b>(273)</b>
Financial income	29,677	24,940
Financial charges	(43)	0
<b>Earnings before taxes (EBT)</b>	<b>27,359</b>	<b>24,667</b>
Income taxes	293	(155)
<b>Result for the period</b>	<b>27,652</b>	<b>24,512</b>

**Separate net revenue equal to €5.2 million, up by €0.5 million;** the increase is attributable to corporate services (management and finance, treasury, management control, human, commercial and corporate resources) provided to the subsidiaries.

**Separate financial income includes €29.6 million** relating to dividends paid by the subsidiaries ITD Solutions S.p.A. (€5.9 million) and Italware S.p.A. (€23.7 million).

**Due to the aforementioned distribution of dividend income, the net result is equal to €27.7 million.**

### Separate balance sheet

The reclassified separate balance sheet as at 31 December 2022 is provided below (amounts in € thousand).

Separate reclassified balance sheet	31/12/2022	31/12/2021
Intangible fixed assets	50	8
Property, plant and equipment and rights of use	107	59
Financial Assets	55,058	43,979
<b>Total non-current assets</b>	<b>55,215</b>	<b>44,046</b>
Trade receivables	3,849	2,352
Other current assets	45,465	21,043
<b>Current operating assets</b>	<b>49,314</b>	<b>23,575</b>
Trade payables	2,099	850
Other current payables	1,235	3,178
<b>Short-term operating liabilities</b>	<b>3,333</b>	<b>4,028</b>
<b>Net working capital</b>	<b>101,196</b>	<b>63,593</b>
Provisions and other non-current liabilities	861	496
<b>Net non-current liabilities</b>	<b>861</b>	<b>496</b>
<b>Net Invested Capital</b>	<b>100,335</b>	<b>63,097</b>
<b>Shareholders' equity</b>	<b>90,275</b>	<b>63,459</b>
Net long-term borrowings	6,639	35
Net short-term borrowings	3,421	-397
<b>Net borrowings</b>	<b>10,060</b>	<b>-362</b>
<b>Shareholders' equity and net borrowings</b>	<b>100,335</b>	<b>63,097</b>

The Parent Company's net borrowings (figures in € thousand) as at 31 December 2022 according to the ESMA format is detailed below.

(in €/thousand)	As at 31 December 2022	As at 31 December 2021	Changes in 2022 vs. 2021	2022 Change % vs 2021
A. Cash and cash equivalents	-619	-421	-198	47%
B. Cash and cash equivalents	-	-	-	-
C. Other current financial assets	-	-	-	-
<b>D. Liquidity (A)+(B)+(C)</b>	<b>-619</b>	<b>-421</b>	<b>-198</b>	<b>47%</b>
(E) Short-term borrowings	4,040	23	4,016	17095%
(F) Current portion of long-term borrowings	-	-	-	-
<b>(G) Short-term borrowings (E)+(F)</b>	<b>4,040</b>	<b>23</b>	<b>4,016</b>	<b>17095%</b>
<b>(H) Net short-term borrowings (G)-(D)</b>	<b>3,421</b>	<b>-397</b>	<b>3,819</b>	<b>-961%</b>
(I) Non-current financial debt (excluding current portion and debt instruments)	6,639	35	6,604	18839%
(J) Debt instruments	-	-	-	-
(K) Trade payables and other non-current payables	-	-	-	-
(L) Long-term borrowings (I)+(J)+(K)	6,639	35	6,604	18839%
<b>(M) Total borrowings (H)+(L)</b>	<b>10,060</b>	<b>-362</b>	<b>10,422</b>	<b>220%</b>

## SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The Consolidated Financial Statements include the financial statements of the Parent Company Digital Value S.p.A. and of the companies over which the Company has the right to exercise control, directly or indirectly, as defined by IFRS 10 "Consolidated Financial Statements". For the purposes of assessing the presence of control, all three of the following elements must be present:

- power over the company;
- exposure to the risk or rights deriving from the variable returns linked to its involvement;
- ability to influence the company, so as to affect the (positive or negative) results for investors (correlation between power and exposure to risks and benefits).

Control can be exercised either by virtue of the direct or indirect ownership of the majority of shares with voting rights, or by virtue of contractual arrangements, even disregarding shareholder relations. In assessing these rights,

the ability to exercise these rights and regardless of their actual exercise and all potential voting rights are taken into consideration.

Digital Value S.p.A. is controlled by DV Holding S.p.A. with registered office in Rome and is not subject to management and coordination by the same, nor does it have commercial relations with the same. DV Holding S.p.A. provided managerial support and short-term loans; the relative contracts are stipulated at market conditions.

Digital Value S.p.A., which directly holds the controlling interest in ITD Solutions S.p.A., ITALWARE S.r.l., Dimira S.r.l., TT Tecnosistemi S.p.A., Digital Value Managed Services S.r.l., DV Broker S.r.l., and indirectly in Italware Services S.r.l. and A76 S.r.l., as required by the relevant legislation, prepares consolidated financial statements.

TT Tecnosistemi S.p.A. has been consolidated on a line-by-line basis since November 2021, the date 51% of its share capital was initially acquired. During the first half year of 2022, an additional 19% was acquired; for the remaining 30%, purchase (Call in favour of Digital Value) and sale (Put options in favour of the Seller) options are envisaged, which may be exercised at the time of approval of the Company's 2023 Financial Statements or on 1 July 2024. Please refer to the following pages for a better understanding of the entire purchase transaction of TT Tecnosistemi S.p.A.

The companies included in the scope of consolidation are as follows:

Consolidated companies	Registered Office	% of direct ownership	% of indirect ownership	Method of consolidation
Digital Value S.p.A.	Rome	CONSOLIDATING COMPANY		
ITD Solutions S.p.A.	Milan	100%		Line-by-line
Italware S.r.l.	Rome	100%		Line-by-line
Italware Services S.r.l.	Milan		80%	Line-by-line
Dimira S.r.l.	Rome	51%		Line-by-line
TT Tecnosistemi S.p.A.	Prato	70%		Line-by-line
A76 S.r.l.	Prato		51%	Line-by-line
Digital Value Managed Services S.r.l.	Rome	100%		Line-by-line
DV Broker S.r.l.	Rome	70%		Line-by-line

The scope of consolidation changed during the year in question following the establishment of the following companies:

- a) Digital Value Managed Services S.r.l., established on 26 September 2022, with share capital of €10 thousand fully paid-up and subscribed by Digital Value S.p.A. On 4 November 2022, the Company leased the "Digital" business unit from Filippetti S.p.A. in liquidation;

- b) DV Broker S.r.l., established on 27 July 2022, with share capital of €10 thousand fully paid-up and subscribed for €7 thousand by Digital Value S.p.A. The company supervises and executes the Group's insurance policies.

In the course of its activities, the Parent Company had commercial relations with the subsidiaries for insignificant amounts and at normal market conditions; transactions of a commercial nature were also recorded between the subsidiaries, at normal market conditions.

These relations concerned:

- sale of goods;
- the provision of commercial, administrative and technical services.

Transactions between consolidated companies have been derecognised from the consolidated financial statements and are therefore not included in this report or in the explanatory notes.

### **Performance of the main Group companies**

The key elements regarding the operating performance of the subsidiaries are provided below, restated according to IAS-IFRS standards.

#### **Italware S.r.l.**

Rome - Italy

Share capital: €1,000,000 Direct

investment: 100% Revenues:

€518.2 million

Net profit: €27.0 million

#### **ITD Solutions S.p.A.**

Milan - Italy

Share capital: €1,000,000 Direct

investment: 100% Revenues:

€242.1 million

Net profit: €6.6 million

#### **TT Tecnosistemi S.p.A.**

Prato - Italy

Share capital: €165,000 Direct

equity investment: 70%

Revenues: €55.4 million

Net profit: €2.2 million



**Dimira S.r.l.**

Rome - Italy

Share capital: €800,000 Direct

equity investment: 51%

Revenues: €12.8 million

Net profit: €0.03 million

**Italware Services S.r.l.**

Milan - Italy

Share capital: €10,000

Indirect investment (through Italware S.r.l.): 80%

Revenues: €2.8 million

Net profit: €0.2 million

**A76 S.r.l.**

Prato - Italy

Share capital: €150,000

Indirect investment (through TT Tecnosistemi S.p.A.): 51% Revenues:

€0.9 million

Net profit: €0.01 million

**Digital Value Managed Services S.r.l.**

Milan - Italy

Share capital: €10,000 Direct

equity investment: 100%

Revenues: €0.3 million (\*) Net

loss: €0.5 million (\*)

(\*) Provisional data as, at the date of this report, the financial statements have not yet been approved as the newly established company will close its first financial year on 30 June 2023.

**DV Broker S.r.l.**

Rome - Italy

Share capital: €10,000 Direct

equity investment: 70%

Revenues: €0.04 million (\*) net:

€0.03 million (\*)

(\*) Provisional data as, at the date of this report, the company's 2022 financial statements have not yet been approved.

### Research and development activities

In view of the type of activity carried out by the Group, these activities are marginal in nature.

### Staff

The following information is provided on employment issues and practices, underlining that the Group carries out its activities in full compliance with provisions on the environment and hygiene in the workplace.

As at 31 December 2022, the workforce consisted of 371 people, who can be classified as follows:

<i>(units)</i>	31/12/2022	31/12/2021
Executives	21	23
Middle management	76	61
Office staff	274	242
<b>Total</b>	<b>371</b>	<b>326</b>

In 2022, the Group did not record any occurrences of occupational illnesses or cases of harassment. No significant work-related injuries were reported.

### Main risks and uncertainties related to the Group's activities

Group companies pay particular attention to identifying, assessing and hedging risks. Financial risks are managed in accordance with specific organisational guidelines governing the management of the same and the control of all transactions that have a material impact on the composition of financial and/or commercial assets and liabilities.

The following is an analysis of non-financial risks and the resulting uncertainties.

#### Risks relating to general economic conditions

The Group's economic and financial situation is influenced by various factors, such as trends in the Gross Domestic Product of the specific countries in which it operates, the level of business confidence, trends in interest rates, inflation, the cost of raw materials, the unemployment rate, and the ease of obtaining credit.

#### Risks associated with the concentration of turnover

The Group's turnover is not characterised by a strong concentration. Relations with customers are normally stable and long-term. However, at present, there are no indications that the Group is likely to lose key customers within the next few months.

### **Risks associated with product liability**

The Group's products and services are not intrinsically high risk from the point of view of safety. The Group's high attention to product quality and safety has made it possible to avoid, in the past, any type of accident caused by product defects. Nevertheless, accidents of this nature, which are covered by the manufacturer's warranty, cannot be excluded in advance. In order to mitigate the risk of liability damage arising from product malfunctioning, the Group has taken out insurance policies with significant coverage ceilings.

### **Risks connected to relations with suppliers**

In light of the possibility that a supplier may cause an economic and operating loss by not fulfilling its contractual obligations, the Group acts directly with those suppliers considered strategic and through a careful purchasing policy aimed at guaranteeing possible alternative sources of supply.

### **Risks associated with high levels of competition**

The Group operates in highly competitive markets in terms of product quality, price competitiveness, product reliability and customer service.

The Group's success will also depend on its ability to maintain and increase market shares in all its business areas.

### **Risks related to compliance with environmental regulations**

The Group believes that it carries out its activities in compliance with environmental protection regulations and is continually committed to operating in a responsible manner.

### **Risks related to compliance with workplace safety regulations**

The Group is committed to pursuing safety in the processing, handling, movement and storage of technologies used, as a strategic objective for the protection of employee well-being, protection of the environment, prevention of major-accident risks and containment of their potential effects.

In this regard, the Group undertakes to develop, maintain and apply a Health and Safety at Work Management System, for prevention of major-accident risks, which corresponds to the regulatory criteria and production and safety requirements for work processes, making reference to the following principles:

- the scrupulous compliance, in substance and in principle, with all applicable laws and regulations relating to the prevention and protection of workers in the context of activities carried out;
- the pursuit of continuous improvement in order to control and reduce the risk of accidents, through constant recourse to suitable production, organisational and procedural technologies and by providing suitable human and economic resources;

- the guarantee of the highest level of protection for employees and the environment through the use of appropriate organisational, technical and management systems that also allow for the achievement of quality and profitability objectives;
- the consideration of risk prevention as a fundamental element that the company must pursue, in all phases of production, for the safety of workers and external parties involved;
- the involvement of workers at all levels, including through their safety representatives, hearing their opinion on issues that will be appropriately addressed when required, informing and training them and raising their awareness so that they can perform their duties safely and responsibly;
- the re-examination of the detailed risk assessment every time a significant change in the Group's process and/or organisation is introduced.

### **Risks associated with the outcome of ongoing disputes**

The assessments made by the Directors, with regard to proceedings and disputes, in particular for the determination of allocations to specific provisions for risks and bad debts, are based on their best knowledge at the date of preparation of the financial statements.

### **Covid-19 emergency**

Following the pandemic emergency, the Digital Value Group promptly activated measures to safeguard the health and safety of its employees and collaborators and guarantee the operation of essential services. In particular, a COVID-19 Security Protocol was issued at Group level aimed at sharing the guidelines to be followed in case of access to company offices. Protocols were also adopted for the prevention of contagion, with the use of temperature detection systems on access to the offices, the systematic adoption of personal protective equipment (PPE) and the periodic sanitation of environments.

In order to correctly manage the health emergency and implement legal measures, a Control Committee was also established for each site, with the task of directing and issuing guidelines on health and safety in the workplace.

There were no significant slowdowns in operating and commercial activities.

### **Russia - Ukraine conflict**

With reference to the conflict between the Russian Federation and Ukraine and the related potential repercussions on the Company's business, while considering with extreme attention the impacts that this event could have on the Issuer's business continuity, the Directors currently consider the risk to be "non-significant". In fact, while it is theoretically true that a worsening of the conflict could cause effects that could negatively influence supply flows from abroad, it is also true that, at present, the evolution of the crisis is not easily predictable and, therefore,

there are no grounds for reasonably predicting a significant risk of negative impacts on the Company's business. In any case, it should be noted that the Group's target customers do not include parties directly or indirectly affected by the sanctions applied to the Russian Federation by the international community.

### **Insurance**

In the interest of all Group companies, Digital Value S.p.A., with the supervision of the investee DV Broker, and through its subsidiaries, has taken out policies with leading insurance companies to cover risks that may affect people and property, as well as third-party liability risks. Risk management through insurance policies is generally guided by analysis of the probability of occurrence of the harmful event and the resulting financial impact, in order to optimise cover. The analysis and insurance coverage of risks borne by the Group was carried out in collaboration DV Broker and with a specialised operator, which guarantees these activities through its international organisation, as well as through management of any claims that may have arisen. In summary, the following risks are covered: third party liability, product liability, directors' liability, fire-all risks. Additional insurance cover has been taken out locally to cover specific needs dictated by local legislation or collective labour agreements.

### **Other information**

#### **Incentive plans for Directors and employees of the Company**

The Group has individually agreed with the employees concerned (Executives, Middle management and Managerial staff), an individual compensation incentive plan linked to specific quantitative and qualitative results to be monitored on an annual basis.

#### **Use of financial instruments**

The hedge effectiveness of these instruments was verified at the end of the financial year, as required by the IAS-IFRS international accounting standards. It should be noted that, during the year, the Group did not carry out, nor were there outstanding at the end of the year, any speculative transactions relating to financial risks connected with fluctuations in interest rates, exchange rates or the prices of raw materials using financial instruments and/or derivatives.

#### **Atypical or unusual transactions**

During the year, the Group did not carry out any atypical or unusual transactions.

#### **Treasury shares and shares/shareholdings of parent companies**

The Company holds 14,020 treasury shares in partial execution of the resolution of the Ordinary Shareholders' Meeting of 30 April 2021 and of 29 April 2022 as a useful strategic investment opportunity for all purposes permitted by the applicable

provisions, including the purposes envisaged by art. 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, “MAR”) and in the normal practice permitted pursuant to art. 13 of the MAR.

The transactions for the purchase of shares as part of the programme took place in the manner and within the operational limits envisaged by the Shareholders’ Meeting decision referred to above, by art. 5 of the MAR, art. 3 of Delegated Regulation (EU) no. 1052/2016 of the Commission of 8 March 2016 and the applicable general and sector regulations; precisely:

- the purchases will involve a maximum of 100,000 ordinary shares of the Company, with no indication of the face value, for a maximum total value established at €10,000,000.00;
- the purchases will be made at a consideration that is not higher than the highest of the price of the last independent transaction and the offer price in the trading markets where the purchase is made, it being understood that the unit price in any case may not be more than 20% lower and 10% higher than the arithmetic average of the official prices recorded by the Company’s share on Euro Next Growth Milan in the 10 trading days prior to each individual purchase transaction;
- purchases will be made for volumes not exceeding 25% of the average daily volume of DV shares in the trading markets where the purchase is made, calculated on the basis of the average daily trading volume in the 20 trading days prior to the purchase date;
- the purchase programme may be carried out within 18 months from the date of the resolution of the Shareholders' Meeting of 29 April 2022.

### **Secondary offices**

Milan, via Galilei 7

Naples, Centro Direzionale, isola D4 Avellino,

via Sant'Alfonso Maria De Liguori Prato, via

Rimini 5

Falconara Marittima, via G. Marconi 100

### **Significant events after the end of the period**

On 24 February 2023, the Board of Directors of Digital Value S.p.A. approved the launch of the project for the listing of the Company's shares on Euronext Milan, the regulated market organised and managed by Borsa Italiana S.p.A. which caters to medium and large capitalisation companies (formerly

called “MTA”). The project will be submitted to the approval of the next Shareholders' Meeting scheduled for 5 April 2023 in first call and 6 April 2023 in second call.

At present, there are no further significant elements to report.

### **Operating outlook**

Over the next few months, the Digital Value Group intends to continue with the consolidation of its organisational structure, which is evolving within it in line with the development of the commercial offer with the aim of further expanding coverage on the reference market, as well as the focus on technological trends of strategic importance. In addition, the integration of the various Group entities Group is continuing to make the most of its resources, its know-how and its assets, with the aim of achieving practical commercial and operational synergies, showing their benefits already starting from the current year.

Rome, 14 March 2023



Digital Value S.p.A.  
IL Presidente del Consiglio di Amministrazione  
Massimo ROSSI



## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Balance Sheet

<i>(in €/thousand)</i>	Notes	31/12/2022	31/12/2021
Intangible fixed assets	7.1.1	29,094	24,135
Property, plant and equipment and rights of use	7.1.2	50,864	45,239
Financial Assets	7.1.3	280	381
Deferred tax assets	7.1.4	122	217
<b>Total non-current assets</b>		<b>80,360</b>	<b>69,972</b>
Inventories	7.2.1	234,924	169,082
Trade receivables	7.2.2	162,864	155,440
Tax receivables	7.2.3	33,256	22,919
Other assets	7.2.4	8,682	10,030
Cash and cash equivalents	7.2.5	114,645	112,133
<b>Total current assets</b>		<b>554,371</b>	<b>469,604</b>
<b>Total assets</b>	7.3	<b>634,732</b>	<b>539,576</b>
Share capital	7.3	1,555	1,555
Share premium reserve	7.3	34,317	34,317
Other reserves	7.3	87,041	57,670
Result for the period	7.3	33,949	30,129
<b>Total Group shareholders' equity</b>	7.3	<b>156,863</b>	<b>123,671</b>
Third party shareholders' equity	7.3	919	5,482
<b>Total shareholders' equity</b>	7.3	<b>157,782</b>	<b>129,152</b>
Medium/long-term loans	7.4.1	44,237	56,588
Employee benefits	7.4.2	1,206	1,660
Trade payables	7.4.3	18,684	15,788
Provisions for risks and charges	7.4.4	1,749	1,840
Deferred tax liabilities	7.4.4	15	2
<b>Total non-current liabilities</b>		<b>65,892</b>	<b>75,878</b>
Short-term loans	7.5.1	33,823	34,277
Trade payables	7.5.2	364,661	282,704
Tax payables	7.5.3	2,440	4,281
Other liabilities	7.5.4	10,135	13,283
<b>Total current liabilities</b>		<b>411,058</b>	<b>334,545</b>
<b>Total liabilities</b>		<b>476,950</b>	<b>410,423</b>
<b>Total shareholders' equity and liabilities</b>		<b>634,732</b>	<b>539,576</b>



## Consolidated Income Statement

<i>(in €/thousand)</i>	Notes	31/12/2022	31/12/2021
Revenues	7.6.1	706,178	555,912
Other income	7.6.1	2,334	1,865
<b>Total revenues</b>		<b>708,512</b>	<b>557,777</b>
Consumables and goods	7.7.1	(573,179)	(465,407)
Change in inventories	7.7.1	65,842	30,781
Costs for services and use of third party assets	7.7.2	(105,258)	(48,152)
Personnel expenses	7.7.3	(22,318)	(17,431)
Other operating expenses		(1,057)	(468)
Amortisation, depreciation and write-downs		(22,513)	(12,960)
<b>Total operating expenses</b>		<b>(658,482)</b>	<b>(513,637)</b>
<b>Operating profit</b>		<b>50,029</b>	<b>44,140</b>
Financial income	7.8	190	100
Financial charges	7.8	(2,252)	(821)
<b>Profit before tax</b>		<b>47,968</b>	<b>43,419</b>
Income taxes	7.9.1	(13,942)	(12,799)
<b>Profit for the period</b>		<b>34,027</b>	<b>30,620</b>
<i>of which:</i>			
Third party profit		77	491
Group profit		<b>33,949</b>	<b>30,129</b>

## Consolidated Statement of Comprehensive Income

<i>(in €/thousand)</i>	31/12/2022	31/12/2021
<b>Profit/(loss) for the year (A)</b>	<b>34,027</b>	<b>30,620</b>
<b>Other components of income that will not be reversed to the income statement in subsequent periods:</b>		
Gains/(losses) from actuarial profits on employee benefits and employee benefits	103	(44)
<b>Total other comprehensive profits/(losses) that will not subsequently reclassified to the income statement (B1)</b>	<b>103</b>	<b>(44)</b>
<b>Other income components that will be reversed to the</b>		

<b>income statement in subsequent periods:</b>		
<b>Total other comprehensive profits/(losses) that will be subsequently reclassified to the income statement, net of tax effect (B2)</b>	<b>0</b>	<b>0</b>

<b>Total other comprehensive income/(expense), net of tax effect (B)=(B1)+(B2)</b>	<b>103</b>	<b>(44)</b>
<b>Total comprehensive income/(expense) (A)+(B)</b>	<b>34,130</b>	<b>30,576</b>
<i>of which:</i>		
Total third party profit	77	491
<b>Total Group profit</b>	<b>34,053</b>	<b>30,085</b>

## Consolidated statement of changes in shareholders' equity

### Shareholders' equity as at 31 December 2022

	Share capital	Share premium reserve	Other reserves	Profit for the year	Shareholders' equity pertaining to the Group	Shareholders' equity pertaining to third parties	Total shareholders' equity
(in €/thousand)							
<b>As at 31 December 2020</b>	<b>1,555</b>	<b>34,317</b>	<b>33,568</b>	<b>24,099</b>	<b>93,539</b>	<b>186</b>	<b>93,725</b>
Allocation of 2020 result	0	0	24,099	(24,099)	0	0	0
IAS 19 actuarial valuation	0	0	(44)	0	(44)	0	(44)
Consolidating entries and other changes	0	0	32	0	32	0	32
Change in the scope of consolidation	0	0	15	0	15	4,804	4,820
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,129</b>	<b>30,129</b>	<b>491</b>	<b>30,620</b>
<b>As at 31 December 2021</b>	<b>1,555</b>	<b>34,317</b>	<b>57,670</b>	<b>30,129</b>	<b>123,671</b>	<b>5,481</b>	<b>129,152</b>
Allocation of 2021 result	0	0	30,129	(30,129)	0	0	0
Change in the scope of consolidation	0	0	0	0	0	(4,640)	(4,640)
Purchase of treasury shares	0	0	(926)	0	(926)	0	(926)
Stock option	0	0	66	0	66	0	66
IAS 19 actuarial valuation	0	0	103	0	103	0	103
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,949</b>	<b>33,949</b>	<b>77</b>	<b>34,027</b>
<b>As at 31 December 2022</b>	<b>1,555</b>	<b>34,317</b>	<b>87,041</b>	<b>33,949</b>	<b>156,863</b>	<b>919</b>	<b>157,782</b>

## Consolidated cash flow statement

<b>A. Cash flows deriving from operating activities (indirect method)</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Profit (loss) for the year</b>	34,027	30,620
Income taxes	13,942	12,799
Interest expenses/(interest income)	1,711	715
Capital (gains)/losses deriving from the disposal of assets	0	0
<b>1. Profit/(loss) for the year before income tax, interest, dividends and gains/losses from transfer</b>	<b>49,679</b>	<b>44,134</b>
<i>Adjustments for non-monetary items with no balancing entry in net working capital</i>		
Allocation to provisions	620	927
Amortisation and depreciation of fixed assets	21,466	12,134
Debt write-off	1,047	729
Write-downs for impairment losses	0	0
Other adjustments for non-monetary items	350	6
<i>Total adjustments for non-monetary items</i>	<i>23,483</i>	<i>13,796</i>
<b>2. Cash flows before NWC changes</b>	<b>73,162</b>	<b>57,930</b>
<i>Changes in net working capital</i>		
Decrease/(increase) in inventories	(65,842)	(33,208)
Decrease/(increase) in trade receivables	(7,574)	(59,125)
Increase/(decrease) in trade payables	84,609	60,792
Decrease/(increase) in accrued income and prepayments	1,083	(2,430)
increase/(decrease) in accrued liabilities and deferred income	(3,208)	8,072
Other changes in net working capital	(13,052)	(3,451)
<i>Total changes in net working capital</i>	<i>(3,984)</i>	<i>(29,350)</i>
<b>3. Cash flows after NWC changes</b>	<b>69,178</b>	<b>28,580</b>
<i>Other adjustments</i>		
Interest collected/(paid)	(1,711)	(715)
(Income taxes paid)	(15,750)	(12,311)
Dividends received	0	0
Use of provisions	(531)	(190)
<i>Total other adjustments</i>	<i>(17,992)</i>	<i>(13,216)</i>
<b>Income management cash flows (A)</b>	<b>51,186</b>	<b>15,364</b>
<b>B. Cash flows deriving from investments</b>		
<i>Tangible fixed assets and Rights of use</i>		
(Investments)	(24,396)	(20,907)

Disinvestment realisable value		
<i>Intangible fixed assets</i>	0	0
(Investments)	(7,654)	(6,459)
Disinvestment realisable value	0	0
<i>Fixed financial assets</i>	0	0
(Investments)	0	40
Disinvestment realisable value	101	0
<i>Short-term financial assets</i>		
(Investments)	0	0
Disinvestment realisable value	11	0
Acquisitions/disposals net of cash and cash equivalents that are acquired/sold	(3,931)	(3,980)
Impact of change in the scope of consolidation	0	(309)
<b>Cash flow of investments (B)</b>	<b>(35,869)</b>	<b>(31,615)</b>
<b>C. Cash flows deriving from financing activities</b>		
<i>Minority interests</i>		
Increase/(decrease) of short-term bank liabilities	(4,563)	17,085
Loan opening/(repayment)	(16,739)	26,630
Increase/(decrease) in payables to other lenders	8,497	6,745
<i>Shareholders' equity</i>		
Increase/(decrease) in capital by payment (repayment)	0	0
(Dividends and advances on dividends paid)	0	0
<b>Cash flow of financing activities (C)</b>	<b>(12,805)</b>	<b>50,460</b>
<b>Increase (decrease) in cash and cash equivalents (A +/-)B +/-)C)</b>	<b>2,513</b>	<b>34,209</b>
<b>Cash and cash equivalents at end of period</b>	<b>114,645</b>	<b>112,133</b>
<b>Cash and cash equivalents from change of scope of consolidation</b>	<b>0</b>	<b>4,661</b>
<b>Cash and cash equivalents at start of period</b>	<b>112,133</b>	<b>73,262</b>

## **EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2022**

### **1. STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL REPORT**

The consolidated financial report as at 31 December 2022 has been prepared in accordance with the assessment and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission.

The reporting date of the consolidated financial report coincides with the closing date of the financial year of the Parent Company and its subsidiaries. The functional currency of the Parent Company and the currency used for the presentation of the consolidated financial statements is the Euro. The statements and tables contained in these explanatory notes are shown in thousands of Euro.

The Consolidated Income Statement, the consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the Statement of Changes in Shareholders' equity and the values reported in the Explanatory Notes are expressed in thousands of Euro.

It should also be noted that these financial statements have been prepared on the basis of the best available understanding of the IAS-IFRS standards and taking into account the best doctrine on the subject; any future guidelines and interpretative updates will be reflected in subsequent years, in accordance with the procedures established from time to time by the reference accounting standards.

The publication of this consolidated financial report, audited by BDO Italia S.p.A., was authorised with resolution of the Board of Directors of 14 March 2023.

### **2. SCOPE OF CONSOLIDATION**

The Consolidated Financial Statements include the financial statements of the Parent Company Digital Value S.p.A. and of the companies over which the Company has the right to exercise control, directly or indirectly, as defined by IFRS 10 "Consolidated Financial Statements". For the purposes of assessing the presence of control, all three of the following elements must be present:

- power over the company;
- exposure to the risk or rights deriving from the variable returns linked to its involvement;
- ability to influence the company, so as to affect the (positive or negative) results for investors (correlation between power and exposure to risks and benefits).

Control can be exercised either by virtue of the direct or indirect ownership of the majority of shares with voting rights, or by virtue of contractual arrangements, even disregarding shareholder relations. In assessing these rights,

the ability to exercise these rights and regardless of their actual exercise and all potential voting rights are taken into consideration.

Digital Value S.p.A. is controlled by DV Holding S.p.A. with registered office in Rome and is not subject to management and coordination by the same, nor does it have commercial relations with the same.

Digital Value S.p.A., which directly holds the controlling interest in ITD Solutions S.p.A., ITALWARE S.r.l., Dimira S.r.l., TT Tecnosistemi S.p.A., Digital Value Managed Services S.r.l., DV Broker S.r.l., and indirectly in Italware Services S.r.l. and A76 S.r.l., as required by the relevant legislation, prepares consolidated financial statements.

TT Tecnosistemi S.p.A. has been consolidated on a line-by-line basis since November 2021, the date 51% of its share capital was initially acquired. During the first half year of 2022, an additional 19% was acquired; for the remaining 30%, purchase (Call in favour of Digital Value) and sale (Put in favour of the Seller) options are envisaged, which may be exercised at the time of approval of the Company's 2023 Financial Statements or on 1 July 2024. Please refer to the following pages for a better understanding of the entire purchase transaction of TT Tecnosistemi S.p.A.

The companies included in the scope of consolidation are as follows:

Consolidated companies	Registered Office	% of direct ownership	% of indirect ownership	Method of consolidation
Digital Value S.p.A.	Rome	CONSOLIDATING COMPANY		
ITD Solutions S.p.A.	Milan	100%		Line-by-line
Italware S.r.l.	Rome	100%		Line-by-line
Italware Services S.r.l.	Milan		80%	Line-by-line
Dimira S.r.l.	Rome	51%		Line-by-line
TT Tecnosistemi S.p.A.	Prato	70%		Line-by-line
A76 S.r.l.	Prato		51%	Line-by-line
Digital Value Managed Services S.r.l.	Rome	100%		Line-by-line
DV Broker S.r.l.	Rome	70%		Line-by-line

### 3. CONSOLIDATION CRITERIA AND TECHNIQUES

These consolidated financial statements were prepared in compliance with the IAS-IFRS international standards in force as at 31 December 2022 as adopted by the European Union, as well as the provisions issued implementing art. 9 of Italian Legislative Decree no. 38/2005. IAS-IFRS standards also means all revised international accounting standards (IAS) and all interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), previously known as SIC. The national legislation regulations implementing

Directive 2013/34 EU also apply, provided they are compatible, also for companies that prepare their financial statements in accordance with IAS-IFRS standards. Therefore, the financial statements incorporate the provisions of the articles of the Italian Civil Code and of the corresponding provisions of the Consolidated Finance Act for listed companies in terms of the Report on Operations, Statutory Audit and Publication of Financial Statements, as far as applicable. The consolidated financial statements and related notes also include the details and additional information required by the articles of the Italian Civil Code on financial statements, as they do not conflict with the provisions of the IAS-IFRS standards, as well as the other CONSOB regulations and provisions on financial statements.

The financial statements have been prepared on a going concern basis. In fact, the Group has assessed that, even in the presence of a general economic and financial context characterised by the after-effects of the Covid-19 pandemic and by the Russian-Ukrainian conflict, there are no significant uncertainties about the going concern assumption, also by virtue of the financial structure of the Group and the business outlook, as illustrated in the “Report on Operations”.

In the valuation of the assets items of the consolidated financial statements, the Group adopts the cost principle, with the exception of derivatives financial instruments and financial assets measured at fair value.

The currency used for the presentation of the consolidated financial statements is the Euro, the Parent Company's functional currency. All values contained in the financial statements and in the explanatory notes are rounded off in units of Euro unless otherwise indicated.

The consolidated financial statements are composed of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the statement of changes in consolidated shareholders' equity and the consolidated cash flow statement as well as the explanatory notes for the year ended 31 December 2022.

With regard to the presentation of the financial statements, the Group made the following choices:

- for the balance sheet, current and non-current asset and liabilities are shown separately. Current assets, which include liquidity and cash equivalents, are those intended to be realised, sold or consumed in the Group's normal operating cycle; current liabilities are those that are expected to be settled in the Group's normal operating cycle or in the 12 months following the end of the period;
- for the income statement, the analysis of costs is carried out on the basis of their nature;
- for the statement of comprehensive income, the Group has chosen to present two statements: the first shows the traditional components of the income statement with the result for the period, while the second, starting from this result, shows in detail the other components or (i) the changes in fair value of derivatives financial instruments designated in hedge accounting, and (ii) the effects of the remeasurement of defined benefits plans;
- for the cash flow statement, the indirect method is used.



The main consolidation criteria adopted are as follows:

- subsidiaries are consolidated using the line-by-line method;
- where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies used with those adopted by the Group;
- assets and liabilities, expenses and income of companies consolidated on a line-by-line basis are fully included in the consolidated financial statements; the carrying amount of equity investments is derecognised against the corresponding portion of the shareholders' equity of the investee companies. Any residual difference, if positive, is recorded under the assets item "Goodwill", if negative, in the income statement; goodwill is determined as the surplus between: the sum of the fair value of the consideration transferred, the amount of any minority interest in the acquiree, the fair value at the acquisition date of the interests in the acquiree previously held, the value of the net fair value of assets and liabilities identifiable at the acquisition date. If the difference is negative, it is recorded directly in the income statement. If the initial recognition of a business combination can be determined only on a provisional basis, the adjustments to the values attributed are recognised within 12 months from the purchase date (measurement period).
- If a business combination is carried out in several phases with subsequent purchases of shares, the fair value of the investment previously held must be recalculated with each transaction and any difference must be recognised in the income statement as a profit or loss. Purchases of shares subsequent to the acquisition of control do not give rise to a recalculation of the value of identifiable assets and liabilities. The difference between the cost and the portion of shareholders' equity acquired is recorded as a change in the Group's shareholders' equity. Transactions that result in a decrease in the percentage of equity investment, without loss of control, are treated as transfers to minority interests and the difference between the portion of interest sold and the price paid is recognised in the Group's shareholders' equity.
- the balances of receivables and payables, as well as the economic effects of intra-group economic transactions and dividends approved by the consolidated companies, have all been derecognised. The consolidated financial statements do not show any profits or losses not yet realised by the Group as a whole when they are derived from intra-group transactions. The portions of shareholders' equity and the results for the period of minority shareholders are shown separately in the consolidated shareholders' equity and income statement.

#### **4. ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA**

The preparation of the financial statements and the related notes in application of the IAS-IFRS standards requires Management to use estimates and assumptions that have an effect on the values of the assets and liabilities in the financial statements and on the information relating to contingent assets and potential liabilities at the reporting date as well as on the amount of revenues and costs in the accounting period represented. The estimates and assumptions used are based on experience and other factors considered relevant. Therefore, the actual results could differ from these estimates. Estimates and assumptions are periodically reviewed and the effects of any change made to them are reflected in the income statement in the period in which the estimate revision takes place if the revision affects only that period, or also in subsequent periods if the revision has effects on both the current and future years.

For a better understanding of the Consolidated Financial Statements, the most significant estimates in the process of preparing the Consolidated Financial Statements are indicated below as they involve a degree of subjective judgements, assumptions and estimates relating to issues that are uncertain by their nature. Changes in the conditions underlying the judgements and assumptions adopted could have a material impact on subsequent results.

⊗ Valuation of receivables: trade receivables are adjusted by the related bad debt provision to take into account their recoverable value. The determination of the amount of the write-downs requires the directors to make subjective assessments determined on the basis of past experience for similar receivables or of current and historical past due, closing rates, losses and collections, credit quality careful monitoring.

⊗ Valuation of inventories: inventories that are obsolete are periodically valued and written down if their net realisable value is lower than the book value. Write-downs are calculated on the basis of assumptions and estimates made by management, deriving from its experience and from sales forecasts.

⊗ Valuation of deferred tax assets: the valuation of deferred tax assets, whose recovery in future years is considered highly probable, is carried out on the basis of the expected taxable income in future years. The valuation of these expected taxable incomes depends on factors that could change over time and have significant effects on the valuation of deferred tax assets.

⊗ Income taxes: the determination of the Group's tax liabilities requires the use of valuation by management with reference to transactions whose tax implications are not certain at the reporting date.

© Impairment of intangible assets and property, plant and equipment with a finite useful life: these assets are subject to verification in order to ascertain whether there has been an impairment loss, which must be recognised through a write-down, when there are indicators that lead to anticipate difficulties in the recovery of the related net book value through use. Verification of the presence of the aforementioned indicators requires the Directors to make subjective assessments based on the information available within the Group and from the market, as well as on historical experience. In addition, if it is determined that a potential impairment may have occurred, the Group proceeds to determine the same using valuation techniques deemed suitable. The correct identification of elements indicating the presence of a potential impairment, as well as the estimates for its determination, depend on factors that may vary over time and are subject to uncertainties and the use of estimates (growth rates, rates of return of assets, economic and financial projections influenced by uncontrollable external variables) that influence the valuations and estimates made by the Directors.

© Measurement of intangible assets and property, plant and equipment with a finite useful life: property, plant and equipment and intangible assets with a finite useful life are amortised and depreciated over the estimated useful life of the related assets. The useful economic life of assets is determined by the Directors at the time the asset is purchased; it is based on historical experience for similar fixed assets, market conditions and forecasts regarding future events that could have an impact on the useful life. Therefore, the actual economic life may differ from the estimated useful life. The Group periodically assesses technological and sector changes to update residual useful life. This periodic update could result in a change in the depreciation and amortisation period and therefore also in the amortisation and depreciation charged in future years.

© Pension plans: the present value of pension benefits liabilities depends on a series of factors that are determined with actuarial techniques using certain assumptions. These assumptions concern the discount rate, the expected return on plan assets, the rates of future salary increases, mortality and resignation rates. Any change in the aforementioned assumptions could have significant effects on pension benefits liabilities.

© Valuation of provisions for risks: having heard the opinion of their legal and tax advisors and experts, the Directors ascertain a liability in relation to any disputes when they deem it probable that a financial disbursement will occur and when the amount of the resulting losses can be reasonably estimated. This estimate involves the adoption of assumptions that depend on factors that may change over time and that could, therefore, have significant effects with respect to the current estimates made by the Directors for the preparation of the Group's consolidated financial statements.

© Determination of fair value: the fair value of certain financial assets that are not listed on active markets is determined using valuation techniques. The Group uses valuation techniques that use inputs directly or indirectly observable by the market at the end of the year, connected to the assets being valued. Although the estimates of the aforementioned fair values are considered reasonable, possible changes in the estimation factors on which the calculation of the aforementioned values is based could result in different valuations.

The consolidated financial report was prepared on a going concern basis.

Below is a description of the most significant accounting standards adopted for the preparation of the consolidated financial statements of the Parent Company Digital Value S.p.A. as at 31 December 2022.

### **INTANGIBLE FIXED ASSETS**

Intangible fixed assets refer to assets without identifiable physical substance, controlled by the company and capable of producing future economic benefits, as well as goodwill when acquired for consideration.

Identifiability is defined with reference to the possibility of distinguishing the intangible fixed asset acquired from goodwill; this requirement is normally met when:

- the intangible fixed asset is attributable to a legal or contractual right, or
- the asset is separable, i.e. it can be sold, transferred, leased or exchanged independently or as an integral part of other assets; control by the company consists in the power to exploit the future economic benefits deriving from the asset and in the possibility of limiting access to it by others.

Intangible fixed assets are recognised at cost determined according to the criteria specified for tangible fixed assets.

Intangible fixed assets with a finite useful life are systematically amortised over their useful life, understood as the estimate of the period in which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated in the “Impairment of assets” section.

Goodwill and other intangible fixed assets with an indefinite useful life, where present, are not subject to amortisation; the recoverability of their book value is verified at least annually and in any case when events occur that suggest an impairment.

Goodwill is an intangible fixed asset with an indefinite useful life, deriving from business combinations accounted for using the purchase method, where the acquisition cost exceeds the purchaser's share of the fair value of the assets and liabilities acquired. After initial

recognition, goodwill is not subject to systematic amortisation but to periodic impairment testing. Consequently, its initial carrying amount is adjusted for any accumulated impairment losses, determined in the manner described below. Goodwill is subject to an annual impairment test, which may occur more frequently, if there are indications of impairment.

At the acquisition date, any emerging goodwill is allocated to each of the cash generating units (the “CGUs”) that are expected to benefit from the synergistic effects of the acquisition. Any impairment is identified through assessments based on each CGU's ability to produce cash flows capable of recovering the portion of goodwill allocated to it. The impairment test shows an impairment of goodwill whenever the recoverable amount of the CGU's cash, to which the goodwill is attributed, is lower than its book value. This impairment loss is not reinstated if the reasons for its recognition no longer exist.

Other intangible fixed assets have been amortised at 20%, estimating a useful life of 5 years with the exception of licences, which are amortised over a useful life of 3 years.

The amortisation period and amortisation criteria for intangible fixed assets with a definite useful life are reviewed at least at the end of each financial year and adjusted if necessary.

#### **PROPERTY, PLANT AND EQUIPMENT**

Tangible fixed assets are recognised at purchase price or production cost, including directly attributable ancillary costs necessary to make the assets available for use.

Tangible fixed assets are systematically depreciated on a straight-line basis over their useful life, i.e. the estimated period over which the asset will be used by the company. When the tangible fixed asset consists of several significant components with different useful lives, each component is depreciated. The value to be depreciated is represented by the book value less the presumed net disposal value at the end of its useful life, if significant and easily determinable. Land (elements with an indefinite useful life), even if purchased together with a building, is not depreciated, nor are tangible fixed assets held for sale, which are valued at the lower of their book value or fair value net of disposal costs.

Tangible fixed assets are stated net of accumulated depreciation and any impairment losses determined in accordance with IAS 36. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset for

the company, which is reviewed annually and any changes, where necessary, are applied prospectively. The main depreciation rates used are as follows:

Category	Depreciation rates
Buildings	5%
Plant and machinery	15%-20%
Technical installations	20%
Fixtures and fittings	12%
Electronic office machinery	20%
Vehicles	25%

The residual carrying amount, useful life and depreciation criteria are reviewed at each financial year-end and adjusted if necessary.

An asset is derecognised at the time of sale or when there are no future economic benefits expected from its use or disposal. Any losses or gains (calculated as the difference between the net proceeds from the sale and the carrying amount) are included in the income statement at the time of derecognition. Improvements on third party assets are classified under property, plant and equipment, in line with the nature of the cost incurred. In these cases, the amortisation period corresponds to the shorter of the residual useful life of the tangible asset and the residual maturity of the lease.

Assets in progress are recognised at cost under work in progress until they are available for use; when they become available for use, the cost is classified in the related item and subject to amortisation.

The gain or loss generated by the sale of property, plant, machinery, fittings and other assets is determined as the difference between the net consideration of the sale and the net residual value of the asset, and is recognised in the income statement for the year in which derecognition takes place.

The costs incurred after the purchase of the assets and the replacement cost of some parts of the assets recognised in this category are added to the book value of the item to which they refer and capitalised only if they increase the future economic benefits inherent in the same asset and therefore amortised on the basis of the asset's residual possibility of use. All other costs are recognised in the income statement when incurred.

When the replacement cost of some parts of the assets is capitalised, the residual value of the replaced parts is charged to the income statement.

Gains and losses deriving from the sale or disposal of assets are determined as the difference between the sales revenue and the net book value of the asset and are charged to the income statement for the year.



### *Leasing*

The Group must assess whether the contract is, or contains, a lease at the date of signing it. The Group recognises the Right of use and the related Lease liability for all lease contracts where it is a lessee, with the exception of short-term contracts (lease contracts with a duration equal to or less than 12 months) and leases relating to low-value assets (i.e. assets with a value of less than €5,000, when new). The contracts for which the latter exemption has been applied fall mainly within the following categories: computers, telephones and tablets; printers, other electronic devices, furniture and furnishings.

With regard to these exemptions, the Group recognises the related payments in the form of operating expenses recognised on a straight-line basis over the duration of the contract.

The lease liability is initially recognised at the present value of future payments at the start date of the contract. Since most of the rental contracts entered into by the Group do not have an implicit interest rate, the discounting rate to be applied to future payments was determined as the risk-free rate, with maturities commensurate with the duration of the specific lease contract, increased by the specific credit spread of the company that signed the contract.

The lease payments included in the value of the Lease liability include:

- the fixed component of the lease payments, net of any incentives received;
- variable lease payments on the basis of an index or a rate, initially measured using the index or rate at the start date of the contract;
- the amount of guarantees for the residual value that the lessee expects to have to pay;
- the exercise price of the purchase option, which must be included only if the exercise of that option is reasonably certain;
- penalties for early settlement of the contract, if the lease term provides for the option to terminate the lease and its exercise is reasonably certain.

After initial recognition, the book value of the Lease liability increases due to the interest accrued (using the effective interest method) and is reduced to take into account the payments made under the lease contract.

The Group restates the value of Lease liabilities (and adjusts the value of the correspondent Rights of Use) if:

- Changes in the duration of the lease or a change in the valuation of the option right; in this case, the lease liability is restated by discounting the new lease payments at the revised discounting rate.



- Changes in the value of lease payments as a result of changes in indices or rates, in such cases the lease liability is restated by discounting the new lease payments at the initial discounting rate (unless the payments due under the lease contract change as a result of fluctuation in interest rates, in which case a revised discounting rate must be used).

The Group did not recognise any of the aforementioned changes in the period, however, availing itself of the possibility of early application of the amendment envisaged by the amendment to IFRS 16 - Covid-19 Related Rent Concessions, which made it possible to account for the effects of the rent reductions directly in the income statement at the effective date of the reduction, without having to assess, through the analysis of the contracts, whether the IFRS 16 definition of lease modification applies.

The Group did not recognise any of the aforementioned modifications during the period. Right of use assets includes the initial measurement of the lease liability, the lease payments made before or at the contract start date and any other initial direct cost. The right of use is recognised in the financial statements net of amortisation and any impairment losses. The incentives linked to the lease (for example, free lease periods) are recognised as part of the initial value of rights of use and of the liability for the lease over the contractual period.

Rights of use are systematically amortised at the lower of the lease term and the residual useful life of the underlying asset. If the lease contract transfers ownership of the related asset or the cost of the right of use reflects the Group's intention to exercise the purchase option, the related right of use is amortised over the useful life of the asset in question. The amortisation starts from the commencement of the lease.

Rights of use are included in the item "Property, plant and equipment" of the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets in order to identify the presence of any impairment losses.

In the cash flow statement, the Group breaks down the total amount paid into a principal portion (recognised in the cash flow as deriving from financial activities) and the interest portion (recognised in the cash flow as deriving from operations).

### **FINANCIAL ASSETS AND EQUITY INVESTMENTS**

Business combinations are accounted for using the acquisition method (IFRS 3).

The cost of an acquisition is measured as the sum of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree.

For each business combination, any non-controlling interest in the acquiree must be measured at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed and classified as administrative expenses. If the business combination is carried out in several stages, the fair value of the investment previously held is recalculated at fair value at the acquisition date, recognising any resulting gain or loss in the income statement. Goodwill is initially measured at cost, which is the excess of the sum of the consideration paid and the amount recognised for minority interests over the identifiable net assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination must, at the acquisition date, be allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units. If goodwill has been allocated to a cash generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset must be included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the discontinued asset must be determined on the basis of the relative values of the discontinued asset and the portion of the cash generating unit retained. All financial assets are initially recognised, at the trading date, at cost, which corresponds to the fair value increased by costs directly attributable to the purchase, with the exception of financial assets held for trading (fair value in the income statement). All financial assets must subsequently be recognised at amortised cost or at fair value on the basis of the entity's business model for the management of the financial assets and the characteristics relating to the financial asset's contractual cash flows. Specifically:

- Debt instruments held as part of a business model whose objective is the ownership of financial assets for the collection of contractual cash flows, and which have cash flows represented solely by payments of principal and interest on the amount of principal to be returned, are subsequently measured at amortised cost;
- Debt instruments held as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets, and which have cash flows represented solely by payments of principal and interest on the amount of the principal to be repaid, are subsequently measured at fair value with changes recognised in other comprehensive income (FVTOCI);

- All other debt instruments and investments in equity instruments are subsequently measured at fair value, with changes recognised through profit (loss) for the year (FVTPL).

When an investment in a debt instrument measured as FVTOCI is derecognised, the cumulative profit (loss) previously recognised in other comprehensive income is restated from shareholders' equity to profit (loss) for the year through a reclassification adjustment. Conversely, when an investment in an equity instrument designated as FVTOCI is derecognised, the cumulative profit (loss) previously recognised in other comprehensive income is subsequently transferred to retained earnings without passing through the income statement. Dividends received from investments in equity instruments are recognised in the income statement.

Debt instruments subsequently measured at amortised cost or FVTOCI are subject to impairment of financial assets. In relation to the impairment of financial assets, the Group has applied a model based on expected credit losses, with reference to trade receivables. In particular, the Group measures the provision to cover losses from a financial asset at an amount equal to the lifetime expected credit losses (ECL) if the credit risk of that financial asset has significantly increased afterwards initial recognition, or if the financial instrument is a purchased or originated non-performing financial asset. However, if the credit risk of a financial instrument has not increased significantly after initial recognition, the Group must measure the loss provision for the financial instrument for an amount equal to the expected losses on credits resulting from a default event in the 12 subsequent months (12-months expected credit losses). The Group adopts the simplified method to measure the provision to cover losses for trade receivables by estimating the expected losses over the entire life of the credit, also using a Group procedure that also requires a customer-by-customer analysis of past due receivables of doubtful collectability.

The Group derecognises all or part of its financial assets when:

- the contractual rights relating to these activities have expired;
- it transfers the risks and benefits deriving from the ownership of the asset or does not transfer nor does it substantially retain all the risks and benefits but transfers control of these assets;
- Receivables transferred as a result of factoring transactions are derecognised from the balance sheet only if assigned without recourse, and if all the risks inherent in the receivable are substantially transferred.

Receivables assigned with recourse, or in any case without the transfer of all risks, remain recognised in the financial statements and a financial liability of the same amount is recognised under liabilities against the advance received.

### Accounting for the acquisition of TT Tecnosistemi S.p.A.

On 4 November 2021, the Digital Value Group acquired 51% of the share capital of Società TT Tecnosistemi S.p.A. (hereinafter “TTT”), a company based in Prato (PO) specialised in managed services and environmentally sustainable technological solutions, for a value equal to €8,543 thousand (hereinafter the “**Acquisition**”).

As part of this transaction, Digital Value and the sellers agreed, inter alia, on a cross call and put option mechanism through which the sellers granted Digital Value the right to purchase in one or two tranches the remaining equity investment in TTT (call option) and Digital Value granted the sellers the right to sell in one or two tranches the remaining stake in TTT (put option).

Specifically, the agreements envisaged:

1. a first call option that can be exercised, up to 19% of the share capital of TTT, in the 30 business days following the first of the following dates: (i) the date of approval of the financial statements of TTT as at 31 December 2021 or (ii) 1 July 2022.
2. a second call option, exercisable for the remaining part of the share capital of TTT, in the 30 business days following the first of the following dates: (i) the date of approval of the financial statements of TTT as at 31 December 2023 or (ii) 1 July 2024.

On 13 June 2022, Digital Value exercised the first call option on 19% of the share capital of TTT for a consideration of €3,931 thousand. This price, paid in a lump sum, was paid with own funds. Therefore, the Company currently holds 70% of the share capital of TTT. When preparing these financial statements, the Company again analysed the accounting method for the transaction in question, concluding that it had been incorrectly represented in the consolidated financial statements for the year ended 31 December 2021 as, in the context of the first consolidation of TTT, the accounting effects on the aforementioned cross call and put option mechanism had not been adequately taken into account for the reasons set out below.

The put options give the right to minority shareholders (therefore to the sellers) to sell their shares to the purchasing company (in this case, Digital Value). The latter has no power over the effective exercise of the options issued, a decision pertaining to the minority shareholders and, therefore, has an unconditional commitment to pay the consideration in the event of the exercise of the put options. In these circumstances, the estimated exercise value of these put options, for accounting purposes, constitutes an integral part of the controlling interest total purchase price. Specifically, in the first consolidation phase relating to TTT, the Company should have estimated the value of the put options granted and, in relation to these instruments, recognise a liability corresponding to the amount, appropriately discounted, to be paid for the exercise of the put option. Consequently, the total consideration for the acquisition of TTT would have been determined taking into account the disbursement incurred for the purchase of the first 51% as well as the commitment to

acquire, as a result of the put options, the remaining 49%.

The following table shows the fair value of the assets and liabilities acquired identifiable at the acquisition date, the consideration correctly restated taking into account what has been expressed above and, as the difference, the value of the goodwill arising from the transaction assuming the purchase of the entire share capital of TTT:

<i>(in € thousand)</i>	<b>Fair value at the acquisition date</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Tangible fixed assets	2,939
Right-of-use assets	7,233
Intangible fixed assets	57
Goodwill	329
Other non-current receivables and assets	444
<b>Total Non-current assets</b>	<b>11,001</b>
<b>Current assets</b>	
Inventories	2,175
Other current receivables and assets	24,108
Cash and cash equivalents	6,851
<b>Total Current assets</b>	<b>33,133</b>
<b>TOTAL ASSETS</b>	<b>44,135</b>
<b>Non-current liabilities</b>	
Non-current financial liabilities	1,722
Non-current lease liabilities	5,327
Other non-current payables and liabilities	950
<b>Total Non-current liabilities</b>	<b>7,999</b>
<b>Current liabilities</b>	
Current financial liabilities	3,342
Current lease liabilities	1,917
Trade payables	16,251
Other current payables and liabilities	5,527
<b>Total Current liabilities</b>	<b>27,036</b>
<b>TOTAL LIABILITIES</b>	<b>35,035</b>
<b>Total net assets acquired (A)</b>	<b>9,100</b>
<b>Consideration (B)</b>	<b>19,046</b>
<b>Goodwill (B) - (A)</b>	<b>9,946</b>

Therefore, the consideration shown in the table is the sum of: the initial disbursement for the purchase of 51% equal to €8,761 thousand, the disbursement incurred for the exercise of the first

put option equal to €3,931 thousand and the estimated value of the disbursement to be incurred for the exercise of the second put option of €6,572 thousand.

It should be noted that the purchase price allocation process was completed at the end of the 12 months envisaged by IFRS 3 and, therefore, the above-mentioned values are final.

Goodwill is attributable to the ability of the acquired company to generate future economic benefits, in particular in relation to the generation of new business opportunities, and is not deductible for tax purposes.

TT Tecnosistemi contributed to the determination of the Group's revenues and EBITDA for the year ended 31 December 2021 for €11,000 thousand and

€1,300 thousand respectively, starting from the acquisition date (4 November 2021). It should be noted that, if the transaction had taken place on 1 January 2021, the contribution of TT Tecnosistemi to the Group's revenues and EBITDA would have been equal to €50,800 thousand and €5,100 thousand, respectively. TT Tecnosistemi contributed to the determination of the Group's revenues and EBITDA for the year ended 31 December 2022 for €55,400 thousand and €6,300 thousand, respectively.

The transaction costs related to the acquisition in question amounted to €227 thousand.

It should be noted that the Company has assessed the entity of the error commented on above, in accordance with the provisions of the IAS 8 accounting standard, changes in accounting estimates and errors, and concluded that it is irrelevant with respect to the consolidated financial statements of the Company for the year ended 31 December 2021. In this regard, it should be noted that, compared to what is stated in the Company's consolidated financial statements for the year ended 31 December 2021, the correct representation of the transaction in question would have resulted in a higher goodwill value of approximately €6,178 thousand, equal to approximately 1% of total assets, and the recognition of a liability of €10,503 thousand, equal to approximately 2% of total liabilities. The error in question had no impact on the Company's consolidated income statement for the year ended 31 December 2021. Lastly, it should be noted that the Company updated the goodwill impairment test as at 31 December 2021 to take into account this higher value of goodwill and this exercise confirmed a positive outcome.

## INVENTORIES

Inventories are recognised at the lower of purchase or production cost and estimated realisable value, based on market trends and taking account of obsolescence.

The cost of inventories of goods that are not normally replaceable and of merchandise and services produced for specific projects is allocated on the basis of the specific costs relating to the various elements that make up the inventories.

In the case of replaceable goods, the cost of inventories is calculated using the weighted average cost.



### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash and bank current accounts and deposits repayable on demand and other highly liquid short-term financial investments, which are readily convertible into cash and are subject to an insignificant risk of change in value.

### **RECEIVABLES**

With regard to financial assets, the Group adopts the new IFRS 9 Financial Instruments accounting standard, also applicable to receivables.

Trade receivables and other short-term assets are initially recognised at their fair value and subsequently valued at amortised cost, net of any write-downs. At the time of recognition, the nominal value of the receivable is representative of its fair value at the date.

The allowance for doubtful debts at this date represents the difference between the book value of the receivables and the reasonable expectation of recoverability of the receivables deriving from the financial flows expected from their collection, also in consideration of historical experience and management's forecasts regarding the future recoverability of the receivables (Forward Looking Approach).

### **IMPAIRMENT OF FINANCIAL ASSETS**

At each reporting date, Group companies verify whether a financial asset or group of financial assets has suffered an impairment. A financial asset or group of financial assets is subject to impairment if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (when a “loss event” occurs) and this loss event has an impact, which can be reliably estimated, on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment may be represented by indicators such as financial difficulties, inability to meet obligations, insolvency in the payment of interest or significant payments, which are affecting debtors or group of debtors; the likelihood that it will fail or be subject to another form of financial reorganisation, and where observable data indicates that there is a measurable decrease in estimated future cash flows, such as changes in environments or economic conditions related to obligations.

Management also assesses elements such as the performance of the sector to which the counterparty belongs, financial activities and general economic performance and makes considerations also in a forward looking perspective.

If there is objective evidence of impairment, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

estimated futures (excluding expected future credit losses that have not yet occurred). The carrying amount of the asset is reduced through the use of an allowance for doubtful debts and the amount of the loss is recognised in the income statement. If, in a subsequent period, the amount of the estimated write-down increases or decreases as a result of an event occurring after the write-down was recognised, the previously recognised write-down will be increased or decreased by adjusting the provision against the income statement.

#### **IMPAIRMENT OF NON-FINANCIAL ASSETS**

At each balance sheet date, the Group companies assess whether there are any indicators of impairment of non-financial assets. When events occur that lead to the presumption of an impairment of an asset or when an annual impairment test is required, its recoverability is verified by comparing its book value with its related recoverable value, represented by the higher of the fair value, net of disposal costs, and the value in use.

In the absence of a binding sales agreement, the fair value is estimated on the basis of the values expressed by an active market, recent transactions or on the basis of the best information available to reflect the amount that the company could obtain from the sale of the asset.

The value in use is determined by discounting the expected cash flows deriving from the use of the asset and, if significant and easily determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documentable assumptions representative of the best estimate of future economic conditions that will occur in the residual useful life of the asset, giving greater importance to external indications. Discounting is carried out at a rate that takes into account the risk implicit in the business area.

The assessment is carried out for each individual asset or for the smallest identifiable set of assets that generates autonomous incoming cash flows deriving from continuous use (cash generating unit). When the reasons for write-downs carried out no longer apply, the assets, except for goodwill, are revalued and the adjustment is charged to the income statement as a revaluation (value restatement). Revaluation is carried out at the lower of the recoverable value and the book value, gross of write-downs previously carried out and reduced by the amortisation or depreciation rates that would have been allocated if no write-down had been carried out.



## **FINANCIAL LIABILITIES**

Financial liabilities which fall within the scope of application of IFRS 9 are classified as financial liabilities at amortised cost or fair value through the balance sheet, as financial payables, or as derivatives designated as hedging instruments, as the case may be. The financial liabilities of Group companies include trade payables and other payables, loans and derivative financial instruments. Group companies determine the classification of their financial liabilities at the time of initial recognition.

Financial liabilities are initially valued at their fair value equal to the amount received at the settlement date, plus, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by recognising any discount or premium on the acquisition and fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included in the financial charges in the income statement.

Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Financial liabilities are derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled.

## **EMPLOYEE BENEFITS**

The provision for employee severance indemnities falls within the scope of what IAS 19 describes as defined benefit plans in the context of post-employment benefits. Defined benefit plans, which also include severance indemnities due to employees pursuant to Article 2120 of the Italian Civil Code, include the amount of benefits to be paid to employees that can only be quantified after termination of employment, and are linked to one or more factors such as age, years of service and remuneration. Therefore, the related cost is charged to the income statement on the basis of an actuarial calculation.

The liability recognised in the financial statements for defined benefit plans corresponds to the present value of the obligation at the reporting date. Obligations for defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The present value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of high-quality corporate bonds issued in Euro and which takes into account the duration of the related pension plan. Actuarial profits and losses arising from these adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income.

As of 1 January 2007, the 2007 Finance Act and the related implementing decrees introduced major changes to the rules governing severance indemnities, including providing employees with the choice as to the destination of their accrued severance indemnities. In particular, new severance indemnity flows can be directed by the worker to selected pension schemes or maintained within the company. In the case of allocation to external pension funds, the company is only subject to the payment of a defined contribution to the chosen fund, and from that date the newly accrued units are defined contribution plans and therefore are not subject to actuarial valuation. From 1 January 2007, for companies with more than 50 employees at the date of introduction of the reform, there is an obligation to pay the new flows of employee severance indemnity to pension schemes chosen by the employee or, if the same employee has opted for the retention of these flows within the company, to a treasury account set up with INPS. For the Group, the employee severance indemnity accrued as at 31 December 2006 continues to fall under “defined benefits plans”, while that accrued after that date is configured, for all employees, as a “defined contribution plan” and this is because all obligations pertaining to the companies are exhausted with the periodic payment of a contribution to a third entity. Exceptions to this are the portions accrued by employees who have opted for the employee severance indemnity to be retained within the company, which are configured as a defined benefits plan.

### **Defined contribution plans**

Defined contribution plans are formalised post-employment benefits plans on the basis of which the Group pays fixed contributions to an insurance company or pension fund and will not have a legal or implicit obligation to pay additional contributions if the fund does not have sufficient assets to pay all employee benefits relating to the work carried out in the current and previous years.

These contributions, paid in exchange for the work rendered by employees, are accounted for as a cost in the relevant period.

### **Defined benefits plans**

Defined benefits plans are formalised post-employment benefits plans that constitute a future obligation for the Group.

The company essentially bears the actuarial and investment risks relating to the plan. As required by IAS 19, the Group uses the Projected unit credit method to determine the current value of the obligations and the related social security cost of current work.

This actuarial calculation requires the use of objective and compatible actuarial assumptions on demographic (mortality rate, staff turnover rate) and financial variables (discount rate, future increases in salary levels and benefits for medical assistance).

Actuarial profits and losses relating to post-employment defined benefits plans may derive both from changes in the actuarial assumptions used for the calculation between two consecutive years and from changes in the value of the obligation in relation to the actuarial assumptions made at the beginning of the year. Actuarial profits and losses are recognised and immediately charged to other comprehensive income.

Net financial charges on defined benefits plans are recognised under financial income/(charges) in the income statement.

#### **PROVISIONS FOR RISKS AND CHARGES**

Provisions for risks and charges refer to costs and charges of a specific nature and of a certain or probable likelihood, whose amount or date of occurrence is not known at the reporting date. Provisions are recognised when:

- it is probable that there will be a current legal or implied obligation arising from a past event;
- it is probable that fulfilment of the obligation will involve a cost;
- the amount of the obligation can be reliably estimated.

Provisions are recorded at the value representing the best estimate of the amount that the company would reasonably pay to extinguish the obligation or to transfer it to third parties at the end of the period.

#### **CURRENT AND NON-CURRENT FINANCIAL LIABILITIES**

Loans are initially valued at cost, net of ancillary charges for the acquisition of the loan. After initial recognition, loans are recognised at amortised cost. Loans are classified under non-current and current liabilities depending on whether or not the Group has the unconditional right to defer the settlement of said liability for at least 12 months after the reference date.

#### **TRADE PAYABLES**

Trade payables are recorded at their nominal value, which is equal to their settlement value. Valuation at amortised cost was not carried out because it was not considered significant.

#### **INCOME TAXES**

Income taxes include current, prepaid and deferred taxes. Income taxes are generally charged to the income statement, except when they relate to items directly recorded under shareholders' equity. Current taxes are calculated by applying the tax rate in force, at the reporting date, to the taxable income for the year. Deferred taxes are calculated using the liability method

on temporary differences between the amount of assets and liabilities in the financial statements and the corresponding values recognised for tax purposes. Deferred taxes are calculated on the basis of the tax rate that is expected to be in force when the asset is realised or the liability is settled. Deferred tax assets are recognised only if it is probable that sufficient taxable income will be generated in future years to realise such assets. Deferred tax assets and liabilities are offset only when there is a legal right to offset and when they relate to taxes due to the same tax authority.

Starting from 2019, Digital Value S.p.A. exercised, as consolidating company, the option for National Tax Consolidation jointly with ITALWARE S.r.l., ITD Solutions S.p.A. and ITALWARE Services S.r.l. as consolidated companies.

#### **CRITERIA FOR THE CONVERSION OF ITEMS IN FOREIGN CURRENCIES**

Foreign currency transactions are recorded using the exchange rate in force on the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are converted at the exchange rate prevailing at that date. Exchange rate differences generated by the extinction of monetary items or their conversion at rates different from those at which they were converted at the time of initial recognition, during the year or in previous financial statements, are recorded in the income statement. All assets and liabilities of foreign companies in currency other than the Euro which fall within the scope of consolidation are converted using the tax rates applicable at the financial statements reference date. Income and costs are converted at the average exchange rate for the year. Exchange differences resulting from the application of this method are classified as a shareholders' equity item until the disposal of the investment.

#### **REVENUE RECOGNITION**

Revenues are recognised to the extent that it is probable that economic benefits will be realised by the Group and their value can be reliably measured. Revenues from sales and services are recognised when the transfer of the major risks and rewards from ownership occurs or upon completion of the service. Sales of goods are recognised when the goods are shipped and the company has transferred the significant risks and rewards of ownership of the goods to the purchaser. Revenues are shown net of returns, discounts, allowances and premiums, as well as directly related taxes. Revenues are valued taking into account the consideration specified in the contract with the customer. The Group recognises revenues when it transfers control of goods or services.

Revenues are recognised by applying a five-step model as follows:

- © Identification of the contract with the customer;

- ⊙ Identification of the “performance obligations” envisaged by the contract;
- ⊙ Determination of the consideration for the transaction;
- ⊙ Allocation of the consideration for individual “performance obligations”;
- ⊙ Recognition of revenues at the time (or during) the fulfilment of individual “performance obligations”.

Revenues are recognised to the extent that it is probable that the economic benefits associated with the sale of goods or the provision of services will be achieved by the Group and the related amount can be reliably determined. Revenues are recognised at fair value, equal to the consideration received or due, taking into account the value of any commercial discounts granted and reductions related to quantities.

With regard to the sale of goods, the revenue is recognised when the company has transferred the significant risks and benefits associated with the ownership of the goods to the purchase agent. Contracts with customers generally include a single performance obligation. The performance obligation is considered satisfied upon delivery of the asset.

#### **RECOGNITION OF COSTS**

Costs are recognised when they relate to goods and services purchased and/or received during the period.

Service costs are recognised on an accrual basis.

For all financial instruments measured at amortised cost, interest expense is recognised using the effective interest rate (EIR), which is the rate that precisely discounts future payments and collections, estimated over the expected life of the financial instrument.

#### **5. ACCOUNTING STANDARDS ADOPTED**

The accounting standards adopted by the Group are the same as those applied for the preparation of the consolidated financial statements for the year ended 31 December 2020, with the exception of the new accounting standards and amendments to existing accounting standards, which are indicated below.

##### **IFRS standards, amendments and interpretations adopted from 1 January 2022**

On 14 May 2020, the IASB published the following amendments:

- Amendments to IFRS 3 Business Combinations: the amendments aim to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of IFRS 3.
- Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the deduction from the cost of tangible assets of the amount received from

the sale of goods produced in the test phase of the same asset. These sales revenues and the related costs will therefore be recognised in the income statement.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all costs directly attributable to the contract must be considered in the estimate of the possible onerousness of the contract. Consequently, the assessment of the possible onerousness of a contract includes not only incremental costs (such as, for example, the cost of the direct material used in its processing), but also all the costs that the company cannot avoid because it has stipulated the contract (such as, for example, the portion of personnel costs and depreciation of the machinery used to fulfil the contract).

- Annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

### **New standards, interpretations and amendments not yet effective**

There are numerous standards, amendments to the standards and interpretations that have been issued by the IASB, but which will be effective in future accounting years, which the Group has decided not to apply in advance.

The following amendments are effective from the financial year starting on 1 January 2023:

- Communication of accounting standards (Amendments to IAS 1 and IFRS Practice Statement 2 of the IFRSs);
- Definition of accounting estimates (Amendments to IAS 8); and
- Deferred tax liabilities relating to assets and liabilities deriving from a single transaction (Amendments to IAS 12).

The following amendments are effective from financial year starting on 1 January 2024:

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

## **6. FINANCIAL RISK MANAGEMENT**

The main risks identified, monitored and actively managed by the Digital Value Group are as follows:



### **CREDIT RISK**

As usual, the Group constantly monitors the collectability of receivables through the severe and substantive recognition of non-performing loans, putting into practice the company procedure aimed at recovering past due receivables.

Credit on the Italian market mainly refers to “large account” customers and, therefore, no particular guarantees are required on the related receivables.

In the foreign markets in which the Group operates, receivables are due from companies controlled by large account Italian customers.

In cases where customers request deferment of payments, it is still common practice to check their relevant creditworthiness.

The value of receivables is constantly monitored during the year so that the amount always expresses the estimated recoverable value.

### **LIQUIDITY RISK**

Liquidity risk relates to the Group's ability to meet its commitments arising from its financial liabilities. The Group was able to generate a level of liquidity suitable for the business objectives, allowing for the maintenance of a balance in terms of duration and composition of the debt. In any case, the liquidity risk originating from normal operations is kept at a low level by managing an adequate level of cash and cash equivalents and controlling the availability of funds obtainable through credit lines.

The Group companies have financial payables whose balance as at 31 December 2022 amounted to €78,304 thousand, referring to the following medium/long-term loans:

- an unsecured loan with Banco BPM for an original amount of €12,000 thousand, with due date on 31 May 2024, whose residual amount as at 31 December 2022 was €6,000 thousand, of which €3,000 thousand due within 12 months;
- an unsecured loan with Monte dei Paschi di Siena for an original amount of €7,000 thousand, with due date on 31 December 2025, whose residual amount as at 31 December 2022 was €4,200 thousand, of which €1,400 thousand due within 12 months;
- two unsecured loans with Banca Ubi for a total amount of €11,110 thousand, with due date on 28 January 2024, whose residual amount as at 31 December 2022 was €4,654 thousand, of which €3,720 thousand due within 12 months;
- an unsecured loan with Intesa Sanpaolo for an original amount of €20,000 thousand, with due date on 31 March 2027, whose residual amount as at 31 December 2022 was €20,000 thousand, of which €4,000 thousand due within 12 months;
- an unsecured loan with Banco BPM for an original amount of €10,000 thousand, with due date on 31 December 2026, whose residual amount as at 31 December 2022 was €8,000 thousand, of which €2,000 thousand due within 12 months;

- an unsecured loan with Credit Agricole for an original amount of €7,500 thousand, with due date on 22 October 2024, whose residual amount as at 31 December 2022 was €5,000 thousand, of which €2,500 thousand due within 12 months.

### **INTEREST RATE RISK**

The Group is exposed to a limited extent to the potential risks arising from changes in interest rates on the floating-rate loans described above.

### **MARKET RISK**

This risk is considered to be low for the Group.

### **RISK OF CHANGES IN CASH FLOWS**

For Group companies, the risk associated with a decrease in cash flows is considered to be low. In fact, year on year there has been a substantial and constant increase in the cash flows generated by operations compared to the previous year. It should also be noted that there is no particular need for access to bank lending, except for current commercial activities, given the approval of banks to extend, when necessary, existing credit lines with Group companies. The substantial increase in company performance allows the company to enjoy an excellent bank rating.

## **7. COMMENTS ON KEY ITEMS**

Amounts are shown in thousands of Euro.

### **7.1 BALANCE SHEET: NON-CURRENT ASSETS**

#### **7.1.1. Intangible assets €29,094 thousand**

The table below shows a breakdown of this item:

<b>Description</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Industrial patent rights	51	58
Concessions, Licenses, Trademarks	5,070	5,970
Goodwill	23,835	17,875
Others	137	233
<b>Total</b>	<b>29,094</b>	<b>24,135</b>



The item in question and the related changes can be broken down as follows

Amounts in € thousand	Industrial patent rights	Concessions, Licenses, Trademarks	Goodwill	Others	Total Intangible fixed assets
<b>Value at the beginning of the 2021 financial year</b>					
Historical cost	498	8,241	17,875	248	26,862
Accumulated Amortisation	-440	-2,271	0	-15	-2,726
<b>2021 book value</b>	<b>58</b>	<b>5,970</b>	<b>17,875</b>	<b>233</b>	<b>24,135</b>
<b>Changes during the year</b>					
Change in the scope of consolidation	0	0	5,960	0	5,960
Investments	50	1,650	0	84	1,783
Depreciation/Amortisation	-57	-2,550	0	-89	-2,696
Decreases	0	0	0	-89	-89
<b>Total changes</b>	<b>-7</b>	<b>-900</b>	<b>5,960</b>	<b>-95</b>	<b>4,959</b>
<b>Value at the end of the financial year</b>					
Historical cost	548	9,891	23,835	242	34,517
Accumulated Amortisation	-497	-4,821	0	-104	-5,442
<b>2022 book value</b>	<b>51</b>	<b>5,070</b>	<b>23,835</b>	<b>137</b>	<b>29,094</b>

The increase of €4,959 thousand essentially refers to:

- the software acquired by the subsidiary ITD Solutions and used for the provision of multi-year services to leading customers operating in Italy;
- the change in the scope of consolidation and, in particular, the difference deriving from the recognition of options relating to 49% of the share capital of the subsidiary TT Tecnosistemi S.p.A. As regards the recognition of these options and the related goodwill, please refer to note 4 of this report.

Intangible assets with an indefinite useful life, including, in particular, the goodwill that emerged at the time of the acquisition of the consolidated companies ITALWARE S.r.l., ITD Solutions S.p.A. and TT Tecnosistemi S.p.A., were tested for impairment in compliance with the provisions of IAS 36.

CGU (amounts in € thousand)	Goodwill/Consolidation difference
ITD Solutions S.p.A.	8,024
Italware S.r.l.	5,537
TT Tecnosistemi S.p.A.	10,274
<b>Book value as at 31.12.2022</b>	<b>23,835</b>

The amount was acquired for consideration through business combinations and was allocated, for the purposes of the impairment test, to the Cash Generating Unit (CGU) identified within the Group at the time of application of the methodologies envisaged by IAS 36.

The increase for the year is due to the recognition of the acquisition of 51% of TT Tecnosistemi S.p.A. carried out by the Group in 2021 and the cross options contracted with the selling shareholder, as illustrated in note 4 of this report.

In fact, goodwill is subject to impairment test at the end of the reporting period. Therefore, the Group subjected the CGU's Net Invested Capital (NIC) to a recoverability test. The NIC includes the value of goodwill.

The recoverable value of the CGU was determined by estimating its value in use, applying the discounted cash flows method, on the basis of the cash flows expected in an explicit three-year period based on the management's internal economic and financial forecasts, in addition to considering its terminal value.

For the purposes of determining the NIC recoverable value, discounting of flows was carried out using a rate (WACC) that takes into account the asset specific risks and that reflects the current market valuations of the cost of money. The calculation of the weighted average cost of capital resulted in a value of 9.5%. The cost of equity ( $k_e$ ) was 9.91% while the cost of debt ( $k_d$ ) after tax was equal to 3.64%.

The recoverable value also includes the terminal value of flows, which was calculated considering a growth rate ("g" rate) of 1%, based on considerations on the evolution of the business of the CGUs considered, as well as the reference market for which a prospective growth of between 5% and 10% is observed.

In the Terminal Value, an operating cash flow was considered on the basis of the representative average plan, appropriately adjusted to reflect a "fully operational" situation.

No impairment losses emerged from the impairment test, as the value in use obtained had significant headroom compared to the book value of the net invested capital (NIC).

A sensitivity analysis was also applied to the impairment test referring to the WACC discounting rate, with the application of a 2% variance to the same, and to a "g" growth rate reduced to zero. The sensitivity analysis also did not identify any critical issue in the stability of the book values of the net invested capital (NIC).

### 7.1.2. Property, plant and equipment and Rights of use €50,864 thousand

The table below shows a breakdown of this item:

Description	31/12/2022	31/12/2021
Land and buildings	34	56
Plant and machinery	4	7
Other assets	37,254	34,174
Rights of use	7,533	9,659
Assets in progress	6,039	1,343
<b>Total</b>	<b>50,864</b>	<b>45,239</b>

The item in question and the related changes can be broken down as follows:

Amounts in € unit thousand	Land and buildings	Plant and machinery	Other	Rights of use (IFRS 16)	Assets in progress	Total Property, plant and equipment and rights of use
<b>Value at the beginning of the 2021 financial year</b>						
Historical cost	59	84	54,471	12,468	1,343	68,425
Accumulated Amortisation	-3	-77	-20,297	-2,809	0	-23,186
<b>2021 book value</b>	<b>56</b>	<b>7</b>	<b>34,174</b>	<b>9,659</b>	<b>1,343</b>	<b>45,239</b>
<b>Changes during the year</b>						
Change in the scope of consolidation	0	0	0	0	0	0
Investments	0	2	19,121	1,474	6,039	26,636
Depreciation/Amortisation	-22	-5	-15,559	-3,185	0	-18,771
Decreases	0	0	-482	-415	-1,343	-2,240
<b>Total changes</b>	<b>-22</b>	<b>-3</b>	<b>3,080</b>	<b>-2,126</b>	<b>4,696</b>	<b>5,625</b>
<b>Value at the end of the financial year</b>						
Historical cost	59	86	73,110	13,527	6,039	92,821
Accumulated Amortisation	-25	-82	-35,856	-5,994	0	-41,957
<b>2022 book value</b>	<b>34</b>	<b>4</b>	<b>37,254</b>	<b>7,533</b>	<b>6,039</b>	<b>50,864</b>

Property, plant and equipment as at 31 December 2022 amounted to €50,864 thousand and mainly consist of investments related to selective infrastructure as a services activities intended for the main customers on a multi-year basis.

Assets consisting of rights of use recognised pursuant to IFRS 16 amounted to approximately €7,533 thousand.

The investments made amounted to €26,636 thousand and mainly refer to personal productivity equipment intended for the provisions of

rental supply service to contracting parties on the basis of specific contracts with an average duration of 36, 48 or 60 months.

Depreciation during the year amounted to €18,771 thousand.

### 7.1.3. Non-current Financial assets €280 thousand

Description	31/12/2022	31/12/2021
Equity investments in other companies	167	264
Financial receivables	113	117
<b>Total</b>	<b>280</b>	<b>381</b>

The following is a breakdown of equity investments held in other companies:

Amounts in € thousand	Net value 31/12/2022
MECCANO S.p.A.	2
TECHELLO SRL	3
MAXTRINO SRL	12
IMMERXIVE SRL	134
DITECFER SCARL	3
Consorzio RIP.TEL.	7
BCC ROMA	6
<b>Total</b>	<b>167</b>

### 7.1.4. Deferred tax assets €122 thousand

Deferred tax assets have been calculated taking into account the cumulative amount of all temporary differences, on the basis of the expected rates in force when the temporary differences will be reversed. Deferred tax assets were recognised as there is reasonable certainty that, in the years in which the deductible temporary differences against which deferred tax assets have been recognised will be reversed, taxable income will not be less than the amount of the differences to be written off.

## 7.2 BALANCE SHEET: CURRENT ASSETS

### 7.2.1 Inventories €234,924 thousand

Description	31/12/2022	31/12/2021
Finished products and goods	234,924	169,082
<b>Total</b>	<b>234,924</b>	<b>169,082</b>

The increase in inventories of €65,842 thousand compared to the previous year is essentially attributable to goods purchased at the end of the year and delivered to customers in 2023 and, in particular, to finished products delivered to customers waiting to be tested.

<b>Consolidated Inventories 2022</b> <b>(amounts in € thousand)</b>		<b>Inventories 2021</b>	<b>Change</b>
ITD Solutions S.p.A.	74,894	48,515	26,379
Italware S.r.l.	155,051	118,391	36,660
TT Tecnosistemi S.p.A.	4,979	2,176	2,803
<b>Book value</b>	<b>234,924</b>	<b>169,082</b>	<b>65,842</b>

## 7.2.2 Current trade receivables €162,864 thousand

<b>Description</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Receivables from Italian customers	167,615	159,144
Allowance for doubtful debts	(4,751)	(3,704)
<b>Total</b>	<b>162,864</b>	<b>155,440</b>

The amount shown in the financial statements is net of the provisions made in the allowance for doubtful debts, estimated on the basis of indications provided by IFRS 9 of the age of the receivables, the assessment of their collectability and also taking into account past experience and forecasts of future uncollectability, also for the portion of receivables that is collectible at the reporting date.

<b>Amounts in € thousand</b>	<b>Allowance for doubtful debts</b>
<b>2021 book value</b>	<b>3,704</b>
Allocations	1,047
Uses	0
Change in the scope of consolidation	0
<b>2022 book value</b>	<b>4,751</b>

The breakdown of receivables by past due classes is as follows:

<b>Amounts in € thousand</b>	<b>TOTAL AS AT 31/12/2022</b>	<b>Due in</b>	<b>0 - 30 days</b>	<b>30 and 60 days</b>	<b>61 and 90 days</b>	<b>91 and 365 days</b>	<b>over 365 days</b>
Trade receivables	162,864	120,162	15,990	7,236	6,119	11,417	1,940

The amount of the doubtful debt provision is equal to 2.9% of trade receivables as at 31 December 2022 and corresponds to approximately 69% of the amount of trade receivables past due by more than 365 days, equal to €6,180 thousand.

The increase of €7,424 thousand in trade receivables is attributable to the normal performance of the investees as detailed below:

Consolidated (amounts in € thousand)	Current trade receivables 2022	Current trade receivables 2021	Change
Digital Value S.p.A.	0	164	-164
Italware S.r.l.	111,560	105,102	6,458
ITD Solutions S.p.A.	30,012	27,246	2,766
Italware Services S.r.l.	101	241	-140
Dimira S.r.l.	4,258	3,911	347
TT Tecnosistemi S.p.A.	16,147	18,776	-2,629
A76 S.r.l.	466	0	466
Digital Value Managed Services S.r.l.	286	0	286
DV Broker S.r.l.	34	0	34
<b>Book value</b>	<b>162,864</b>	<b>155,440</b>	<b>7,424</b>

### 7.2.3 Tax receivables €33,256 thousand

Description	31/12/2022	31/12/2021
VAT	32,490	22,222
Other miscellaneous	766	697
<b>Total</b>	<b>33,256</b>	<b>22,919</b>

The VAT credit is essentially attributable to the effects of the application of the “split payment” applied to active transactions carried out with the Group's main customers. The increase is a direct consequence of the increase in turnover recorded in the year under review. Reimbursements of quarterly and annual tax receivables is systematically requested and disposed of through non-recourse factoring transactions. Other tax receivables are constituted for €580 thousand by R&D tax credits, for €105 thousand for capital goods tax credits and for the residual part by other tax receivables.

### 7.2.4 Other assets €8,682 thousand

Description	31/12/2022	31/12/2021
Prepayments	8,325	9,408
Other assets	357	623
<b>Total</b>	<b>8,682</b>	<b>10,030</b>

The item Prepaid expenses mainly refers to the portion of costs relating to activities whose economic manifestation will occur in subsequent years; these are mainly suspended costs linked to contracts for the provision of services to customers.

### 7.2.5 Cash and cash equivalents €114,645 thousand

Description	31/12/2022	31/12/2021
Bank and postal deposits	114,626	111,896
Cheques	0	230
Cash on hand	19	7
<b>Total</b>	<b>114,645</b>	<b>112,133</b>

With regard to the breakdown and dynamics of cash and cash equivalents, please refer to the cash flow statement.

### 7.3 BALANCE SHEET: SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Other reserves	Profit for the year	Shareholders' equity pertaining to the Group	Shareholders' equity pertaining to third parties	Total shareholders' equity
(in €/thousand)							
<b>As at 31 December 2020</b>	<b>1,555</b>	<b>34,317</b>	<b>33,568</b>	<b>24,099</b>	<b>93,539</b>	<b>186</b>	<b>93,725</b>
Allocation of 2020 result	0	0	24,099	(24,099)	0	0	0
IAS 19 actuarial valuation	0	0	(44)	0	(44)	0	(44)
Consolidating entries and other changes	0	0	32	0	32	0	32
Change in the scope of consolidation	0	0	15	0	15	4,804	4,820
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,129</b>	<b>30,129</b>	<b>491</b>	<b>30,620</b>
<b>As at 31 December 2021</b>	<b>1,555</b>	<b>34,317</b>	<b>57,670</b>	<b>30,129</b>	<b>123,671</b>	<b>5,481</b>	<b>129,152</b>
Allocation of 2021 result	0	0	30,129	(30,129)	0	0	0
Change in the scope of consolidation	0	0	0	0	0	(4,640)	(4,640)
Purchase of treasury shares	0	0	(926)	0	(926)	0	(926)
Stock option	0	0	66	0	66	0	66
IAS 19 actuarial valuation	0	0	103	0	103	0	103
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,949</b>	<b>33,949</b>	<b>77</b>	<b>34,027</b>
<b>As at 31 December 2022</b>	<b>1,555</b>	<b>34,317</b>	<b>87,041</b>	<b>33,949</b>	<b>156,863</b>	<b>919</b>	<b>157,782</b>

The Parent Company's share capital, fully subscribed and paid up, amounts to €1,555 thousand and consists of 9,969,576 shares with no nominal value. The Company has no outstanding warrants or shares other than ordinary shares.

The following table shows the calculation of earnings per share.

Amounts in € units	31/12/2022	31/12/2021
Group profit for the year	33,949,436	30,129,000
Average number of ordinary shares	9,969,576	9,969,576
<b>Total</b>	<b>3.04</b>	<b>3.02</b>

The breakdown of Other reserves is as follows:

Description	31/12/2022	31/12/2021
Legal reserve	311	224
Extraordinary reserve	25,053	23,753
Scope of consolidation	15	15
FTA reserve	17	17
IAS 19 reserve	58	-44
Reserve for treasury shares in portfolio	-926	0
Stock option reserve	67	0
Retained earnings	62,446	33,705
<b>Total</b>	<b>87,041</b>	<b>57,670</b>

Below is the reconciliation between the parent company's shareholders' equity and separate result for the year and the consolidated shareholders' equity and result for the year.

Description	Result for the year	Shareholders' Equity
<b>Balance of Parent Company's Financial Statements</b>		
Change in scope of consolidation	27,652	90,275
Consolidated Change in IAS 19 Reserve	-	-
Pro-rata results achieved by the Subsidiaries	-	103
Allocation of consolidated profit to previous years	35,514	35,514
<b>Total profit for the year and shareholders' equity for the Group</b>	<b>(20,217)</b>	<b>30,971</b>



## 7.4 BALANCE SHEET: NON-CURRENT LIABILITIES

### 7.4.1 Medium/long-term loans €44,237 thousand

Description	31/12/2022	31/12/2021
Payables to banks	32,842	49,582
Payables to other lenders	11,395	7,007
<b>Total</b>	<b>44,237</b>	<b>56,588</b>

Payables to banks mainly refer to the medium/long-term portion of loan agreements entered into by the Group, essentially intended for investments related to the selective infrastructure as a services activities intended for the main customers on a multi-year basis.

The decrease is essentially due to the combined effect of the repayment of portions of loans during the year and the amortisation of pre-existing loans.

Receivables to other lenders refer to:

- c) for €6,572 thousand to the recognition of the payable for the purchase of the remaining 30% of the share capital of TT Tecnosistemi S.p.A., which will take place following the exercise of the option envisaged in the purchase agreement at the date of approval of the financial statements of the investee as at 31 December 2023 or on 1 July 2024.
- d) for the remainder to the medium/long-term financial liabilities recognised in relation to lessors and financial intermediaries in relation to rental, leases and long-term hire contracts entered into by the Group in compliance with the provisions of IFRS 16.

Below is the breakdown of Group companies' medium/long-term loans payable as at 31 December 2022.

Description	Payables to banks	Payables to other lenders	Total
Digital Value S.p.A.	0	6,639	6,639
ITALWARE S.r.l.	8,973	146	9,119
ITD Solutions S.p.A.	22,267	837	23,104
ITALWARE Services S.r.l.	0	1	1
DIMIRA S.r.l.	0	102	102
TT Tecnosistemi S.p.A.	1,602	3,670	5,272
<b>Total</b>	<b>32,842</b>	<b>11,395</b>	<b>44,237</b>

#### 7.4.2 Employee benefits €1,660 thousand

Description	31/12/2022	31/12/2021
Employee benefits	1,206	1,660
<b>Total</b>	<b>1,206</b>	<b>1,660</b>

The provision for employee benefits relates to the severance indemnities set aside by the companies included in the consolidated financial statements. The liability for severance indemnities has been calculated in accordance with the current provisions governing the employment relationship for staff and corresponds to the actual commitment of the companies to individual employees at the balance sheet date. The amount set aside refers to employees who, following the entry into force of the new supplementary pension system, have expressly allocated the severance indemnities, accruing from 1 January 2007, to the company. The amount relating to the provision for severance indemnities is therefore net of the amounts paid out during the year and allocated to pension funds. The resulting amount was measured in accordance with international accounting standards - IAS/IFRS (IAS 19).

The change in the item can be broken down as follows:

Amounts in € thousand	Provision for employee severance indemnity
<b>Book value as at 31.12.2021</b>	<b>1,660</b>
Service cost	90
Interest cost	8
Uses and advances	-463
Actuarial loss/(gain)	-89
Change in the scope of consolidation	-
<b>Book value as at 31.12.2022</b>	<b>1,206</b>

The actuarial assumptions used to estimate defined benefits pension schemes are detailed in the following table:

Amounts in € thousand	As at 31/12/2022
<b>Economic assumptions</b>	
Inflation rate 2023	5.5%
Inflation rate 2024	2.6%

2025 inflation rate	2.0%
2026 inflation rate to follow	2.0%
Discounting rate	3.128%
Rate of salary increases	2.73%

#### 7.4.3 Non-current trade payables €18,928 thousand

Description	31/12/2022	31/12/2021
Trade payables	18,684	15,788
<b>Total</b>	<b>18,684</b>	<b>15,788</b>

These are medium/long-term trade payables due to the main international vendors in the IT sector (IBM, DELL-EMC, ORACLE, SAP) for supplies received and provided to the Group's main customers on the basis of multi-year contracts (infrastructure as a services). The breakdown of Group companies' non-current trade payables as at 31 December 2022 is shown below.

Description	31/12/2022	31/12/2021
ITD Solutions S.p.A.	5,029	3,993
Italware S.r.l.	13,655	11,795
<b>Total</b>	<b>18,684</b>	<b>15,788</b>

#### 7.4.4 Provisions for risks, charges and taxes €1,764 thousand

Description	31/12/2022	31/12/2021
Provision for pensions	1,070	1,098
Provision for taxes	15	2
Other provisions	679	741
<b>Total</b>	<b>1,764</b>	<b>1,841</b>

The provision for pensions relates to the Directors' Severance Indemnity provision. The amount set aside was calculated on the basis of that established by the ordinary Shareholders' Meeting and corresponds to the actual commitment of the shareholders at the reporting date.

In particular, other provisions include the allocation of €211 thousand made to cover the expected losses of the investee Dimira S.r.l. and the risk provisions relating to some credit and debit positions.

The changes in the year under review are shown below.

Amounts in € thousand	Provision for pensions	Provision	Total Provisions	Other Taxes
<b>2021 book value</b>	<b>1,098</b>	<b>2</b>	<b>741</b>	<b>1,841</b>
Allocations	0	15	0	15
Uses	-28	-2	-62	-92
<b>2022 book value</b>	<b>1,070</b>	<b>15</b>	<b>679</b>	<b>1,764</b>

## 7.5 BALANCE SHEET: CURRENT LIABILITIES

### 7.5.1 Short-term loans €33,823 thousand

Description	31/12/2022	31/12/2021
Payables to banks	26,890	31,453
Payables to other lenders	2,933	2,824
Payables to Parent companies	4,000	-
<b>Total</b>	<b>33,823</b>	<b>34,277</b>

Payables to banks refer to the short-term portion of advances and loan agreements entered into by the Group, essentially intended for investments related to the selective infrastructure as a services activities intended for the main customers on a multi-year basis.

Receivables to Other lenders refer for €2,714 thousand to short-term financial liabilities recognised in relation to lessors and financial intermediaries in relation to long-term lease agreements entered into by the Group in compliance with the provisions of IFRS 16.

Receivables to Parent Companies refer to loans disbursed during the half year by Digital Value Holding S.p.A. In January 2022, Digital Value Holding expressed its willingness to proceed with financing the development activities of the Digital Value Group for a maximum amount of €20,000 thousand, in several tranches. The loan transaction has a rate equal to six-month Euribor plus a spread of 2% and a duration of 18 months, with repayment in a single instalment on maturity or according to methods agreed jointly between the parties.

Below is the breakdown of Group companies' medium/long-term loans payable as at 31 December 2022.

Description	Payables to banks	Payables to other lenders	Payables to parent companies	Total
Digital Value S.p.A.	0	40	4,000	4,040
ITALWARE S.r.l.	14,164	96	0	14,260
ITD Solutions S.p.A.	10,963	573	0	11,536
ITALWARE Services S.r.l.	0	16	0	16
DIMIRA S.r.l.	0	41	0	41
TT Tecnosistemi S.p.A.	1,736	1,949	0	3,685
A76 S.r.l.	27	203	0	230
DV Broker S.r.l.	0	15	0	15
<b>Total</b>	<b>26,890</b>	<b>2,933</b>	<b>4,000</b>	<b>33,823</b>

#### 7.5.2 Trade payables €364,661 thousand

Description	31/12/2022	31/12/2021
Trade payables	364,661	282,704
<b>Total</b>	<b>364,661</b>	<b>282,704</b>

Below is the breakdown of receivables to suppliers by past due classes.

Amounts in € thousand	TOTAL AS AT 31/12/2022	Due in	0 - 30 days	30 and 60 days	61 and 90 days	91 and 365 days	over 365 days
Trade payables	364,661	319,685	25,932	5,923	8,045	3,604	1,476

The breakdown of Group companies' current trade payables as at 31 December 2022 is shown below.

Description	31/12/2022	31/12/2021
Digital Value S.p.A.	1,985	516
ITD Solutions S.p.A.	98,687	66,272
Italware S.r.l.	240,532	196,004
Italware Services S.r.l.	975	1,107
Dimira S.r.l.	4,440	2,736
TT Tecnosistemi S.p.A.	17,784	16,022
A76 S.r.l.	179	46
Digital Value Managed Services S.r.l.	79	-
<b>Total</b>	<b>364,661</b>	<b>282,704</b>

### 7.5.3 Tax payables €2,440 thousand

Description	31/12/2022	31/12/2021
IRES payable	540	2,396
IRAP payable	358	478
Other tax payables	1,542	1,407
<b>Total</b>	<b>2,440</b>	<b>4,281</b>

Starting from 2019, Digital Value S.p.A. exercised, as consolidating company, the option for National Tax Consolidation jointly with ITALWARE S.r.l., ITD Solutions S.p.A. and ITALWARE Services S.r.l. as consolidated companies. As at 31 December 2022, the Group payable for IRES amounted to €540 thousand while that for IRAP amounted to €478 thousand.

On the other hand, other tax payables consist mainly of payables for IRPEF and VAT withholdings.

### 7.5.4 Other liabilities €10,135

thousand Description	31/12/2022	31/12/2021
Social security payables	1,102	1,112
Other payables	2,895	2,826
Accrued liabilities	1,112	1,379
Deferred income	5,026	7,967
<b>Total</b>	<b>10,135</b>	<b>13,283</b>

Social security payables include payables to social security and welfare institutions deriving from national insurance, social security or insurance obligations, in application of legal provisions, collective labour agreements, supplementary local or company agreements.

This item also includes the amounts of social security contributions withheld from employees pending payment.

Other payables consist mainly of payables to employees for salaries accrued but not yet paid, including additional monthly salaries accrued and payables for holidays, leave and other contractual or legal provisions accrued and not taken.

Accrued liabilities include portions of costs for interest and other charges pertaining to the year not yet paid.

Deferred income mainly refers to orders whose income was financially manifested during the year but pertain to one or more subsequent years as the supply of the goods and/or the provision of the related services will take place in the subsequent years.

## 7.6 INCOME STATEMENT: REVENUES

## 7.7 INCOME STATEMENT: OPERATING EXPENSES

Production costs and their change are related to what is stated in the Report on Operations.

### 7.7.1 Costs for purchase of consumables and goods €507,337 thousand

Description	31/12/2022	31/12/2021
Costs for the purchase of goods	573,179	465,378)
Change in goods inventories	(65,842)	(30,752)
<b>Total</b>	<b>507,337</b>	<b>434,626</b>

### 7.7.2 Costs for services and use of third party assets €105,258 thousand

Description	31/12/2022	31/12/2021
Services to support production	93,414	39,634
Administrative, tax, legal and notarial expenses	2,300	1,031
Board of Directors	1,363	1,172
Board of Statutory Auditors and Supervisory Board	169	107
Insurance	1,408	623
Travel and accommodation costs	492	424
Telephone	239	178
Marketing and communication	553	549
Development/M&A	1,029	376
Other miscellaneous	4,291	4,059
<b>Total</b>	<b>105,258</b>	<b>48,153</b>

The increase recorded in this item mainly refers to the increase in costs for services linked to activities in projects engineered and implemented to support customers in the development and management of personal productivity infrastructures, in data management and transport infrastructures, as well as in digital transformation solutions in IAAS, PAAS and SAAS mode.



### 7.7.3 Personnel costs €22,318 thousand

Description	31/12/2022	31/12/2021
Wages and salaries	16,385	12,353
Social security costs	5,071	3,964
Employee benefits	620	830
Other personnel costs	242	280
<b>Total</b>	<b>22,318</b>	<b>17,431</b>

This item includes all expenses for employees, including accrued holidays and additional months' pay as well as related social security charges, in addition to the provision for severance indemnities and other contractual costs. The Group's workforce as at 31 December 2022 consisted of 371 people, an increase of 45 units compared to the end of the previous year which, together with the consolidation for the entire year of the data pertaining to TT Tecnosistemi S.p.A., justifies the increase in the costs recognised in the year under review. The Group's workforce is composed as follows:

(units)	31/12/2022	31/12/2021
Executives	21	23
Middle management	76	61
Office staff	274	242
<b>Total</b>	<b>371</b>	<b>326</b>

## 7.8 INCOME STATEMENT: FINANCIAL INCOME AND CHARGES

Description	31/12/2022	31/12/2021
Financial income	190	100
(Financial charges)	(2,376)	(808)
Gains/(Losses on exchange rates)	125	(13)
<b>Total</b>	<b>(2,061)</b>	<b>(721)</b>

The increase in financial charges is linked to the increase in interest rates recorded during the year on loan transactions and the disposal of trade and tax receivables through factoring.

## 7.9 INCOME STATEMENT: INCOME TAXES

### 7.9.1. Taxes €13,942 thousand

This item relates to current taxes (IRES and IRAP) set aside on an accrual basis and determined in accordance with current rates and regulations.

### RELATED PARTY TRANSACTIONS

With regard to the information on transactions with related parties pursuant to art. 2427 and 2428 of the Italian Civil Code and in compliance with the provisions of IAS 24, it should be noted that the transactions carried out with these parties, which relate to ordinary operations, were concluded at market conditions.

The identification of Group's related parties was carried out in compliance with IAS 24.

These relationships do not include atypical and/or unusual transactions.

The most significant transactions between Group companies and related parties for the year ended 31 December 2022 are summarised below:

Amounts in € thousand	income statement	Balance	Sheet
Subject/Related party	Costs/(revenues)	Receivable	Payables
Digital Value Holding S.p.A.		s	
<b>Total</b>	241	0	4,244

### REMUNERATION TO DIRECTORS, STATUTORY AUDITORS, AUDITORS

Amounts in € thousands

	Directors	Statutory Auditor	Legal Audit
Digital Value	1,363	107	100

Rome, 14 March 2023

Digital Value S.p.A.  
 IL Presidente del Consiglio di Amministrazione  
 Massimo ROSSI  


## SEPARATE FINANCIAL STATEMENTS

### Separate Balance Sheet

<i>(in € units)</i>	<b>Note</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Intangible fixed assets	6.1.1	50,056	8,444
Property, plant and equipment and rights of use	6.1.2	106,839	58,549
Financial assets	6.1.3	55,058,192	43,979,180
<b>Total non-current assets</b>		<b>55,215,087</b>	<b>44,046,174</b>
Trade receivables	6.2.1	3,848,762	2,532,418
Tax receivables	6.2.2	0	490
Other assets	6.2.3	45,465,497	21,042,208
Cash and cash equivalents	6.2.4	618,589	420,797
<b>Total current assets</b>		<b>49,932,848</b>	<b>23,995,913</b>
<b>Total assets</b>		<b>105,147,934</b>	<b>68,042,086</b>
Share capital	6.3	1,554,958	1,554,958
Share premium reserve	6.3	34,882,965	34,882,965
Other reserves	6.3	26,185,659	2,508,797
Result for the period	6.3	27,651,658	24,512,311
<b>Total shareholders' equity</b>		<b>90,275,240</b>	<b>63,459,031</b>
Medium/long-term loans	6.4.1	6,638,946	35,055
Employee benefits	6.4.2	294,434	284,896
Provisions for risks and charges	6.4.3	211,361	211,361
Deferred tax liabilities	6.4.4	354,857	0
<b>Total non-current liabilities</b>		<b>7,499,598</b>	<b>531,312</b>
Short-term loans	6.5.1	4,039,894	23,494
Trade payables	6.5.2	2,098,501	850,107
Tax payables	6.5.3	579,603	2,648,741
Other liabilities	6.5.4	655,098	529,400
<b>Total current liabilities</b>		<b>7,373,096</b>	<b>4,051,743</b>
<b>Total liabilities</b>		<b>14,872,694</b>	<b>4,583,055</b>
<b>Total shareholders' equity and liabilities</b>		<b>105,147,934</b>	<b>68,042,086</b>

## Separate Income Statement

<i>(in € units)</i>	<b>Note</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Revenues	6.6.1	5,135,026	4,700,000
Other income	6.6.1	54,269	13,323
<b>Total revenues</b>		<b>5,189,295</b>	<b>4,713,323</b>
Consumables and goods		(86,304)	0
Costs for services and use of third party assets	6.7.1	(4,004,617)	(2,972,156)
Personnel expenses	6.7.2	(3,276,296)	(1,964,593)
Other operating expenses		(33,232)	(18,503)
<b>Total operating expenses</b>		<b>(7,400,448)</b>	<b>(4,955,253)</b>
<b>Gross operating margin</b>		<b>(2,211,154)</b>	<b>(241,929)</b>
Amortisation, depreciation and write-downs		(63,910)	(30,783)
<b>Operating profit</b>		<b>(2,275,064)</b>	<b>(272,712)</b>
Financial income	6.8	29,677,064	24,939,783
Financial charges	6.8	(42,915)	(2)
<b>Profit before tax</b>		<b>27,359,085</b>	<b>24,667,069</b>
Income taxes	6.9.1	292,573	(154,758)
<b>Profit for the period</b>		<b>27,651,658</b>	<b>24,512,311</b>

## Separate Statement of Comprehensive Income

<i>(in € units)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Profit/(Loss) for the year <b>(A)</b>	<b>27,651,658</b>	<b>24,512,311</b>
Other comprehensive income/(expense) which will not be subsequently reclassified to profit or loss:		
Gains/(losses) on actuarial profits and losses on employee benefits	24,246	(9,828)
Tax Effect	0	0
<b>Total other comprehensive profits/(losses) that which will not be subsequently reclassified to the income statement (B1)</b>	<b>(24,246)</b>	<b>(9,828)</b>
Other comprehensive profits/(losses) which will be subsequently reclassified to the income statement:		
Gains/(losses) deriving from the conversion of financial statements	0	0

<b>Total other comprehensive income/(expense) which will be subsequently reclassified to profit or loss, net of tax effect (B2)</b>	0	0
<b>Total other comprehensive profits/(losses), net of tax effect (B) = (B1)+(B2)</b>	<b>24,246</b>	<b>(9,828)</b>
<b>Total comprehensive income/(expense) (A)+(B)</b>	<b>27,675,904</b>	<b>24,502,484</b>

## Separate Statement of Changes in Shareholders' Equity Separate

Shareholders' Equity as at 31 December 2022 (amounts in Euro)

(in € units)	Share capital	Share premium reserve	Other reserves	Profit for the year	Total shareholders' equity net
<b>As at 31 December 2020</b>	<b>1,554,958</b>	<b>34,882,965</b>	<b>3,748,266</b>	<b>-1,228,229</b>	<b>38,957,959</b>
IAS/IFRS transition	0	0	-1,410	0	-1,410
Allocation of 2020 result	0	0	-1,228,229	1,228,229	0
Actuarial gains/(losses) IAS 19	0	0	-9,828	0	-9,828
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,512,311</b>	<b>24,512,311</b>
<b>As at 31 December 2021</b>	<b>1,554,958</b>	<b>34,882,965</b>	<b>2,508,798</b>	<b>24,512,311</b>	<b>63,459,031</b>
Allocation of 2020 result	0	0	24,512,311	-24,512,311	0
Actuarial gains/(losses) IAS 19	0	0	24,246	0	24,246
Purchase of treasury shares	0	0	-926,396	0	-926,396
Stock option	0	0	66,700	0	66,700
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,651,658</b>	<b>27,651,658</b>
<b>As at 31 December 2022</b>	<b>1,554,958</b>	<b>34,882,965</b>	<b>26,185,659</b>	<b>27,651,658</b>	<b>90,275,240</b>

Separate Cash flow Statement (amounts in €)

CASH FLOW STATEMENT	IAS/IFRS	IAS/IFRS
A. Cash flows deriving from income management (indirect method)	31/12/2022	31/12/2021
<b>Profit (loss) for the year</b>	<b>27,651,658</b>	<b>24,512,311</b>
Income taxes	(292,573)	154,758
Interest expenses/(interest income)	(62,719)	(22,481)
(Dividends)	(29,571,430)	(24,917,300)
Capital (gains)/losses deriving from asset disposal		
<b>1. Profit/(loss) for the year before income taxes, interest, dividends and capital gains/losses from disposals</b>	<b>(2,275,064)</b>	<b>(272,712)</b>
<i>Adjustments for non-monetary items with no balancing entries in net working capital</i>		
Allocation to provisions	58,540	88,385
Amortisation and depreciation of fixed assets	44,472	19,422
Debt write-off	19,438	0
Write-downs for impairment losses	0	0
Other adjustments for non-monetary items		
<i>Total adjustments for non-monetary items</i>	122,450	107,807
<b>2. Cash flows before NWC changes</b>	<b>(2,152,614)</b>	<b>(164,905)</b>
<i>Changes in net working capital</i>		
Decrease/(increase) in inventories	0	0
Decrease/(increase) in trade receivables	18,853	(13,829)
Increase/(decrease) in payables to suppliers	1,224,871	243,726
Decrease/(increase) in accrued income and prepayments	(252,601)	(47,248)
increase/(decrease) in accrued liabilities and deferred income	41,515	0
Other changes in net working capital	1,860,619	(1,467,328)
<i>Total changes in net working capital</i>	2,893,258	(1,284,679)
<b>3. Cash flows after NWC changes</b>	<b>740,644</b>	<b>(1,449,584)</b>
<i>Other adjustments</i>		
Interest collected/(paid)	62,719	22,481
(Income taxes paid)	0	0
Dividends received	0	29,167,300
(Use of provisions)	(95,698)	(95,698)
<i>Total other adjustments</i>	(32,979)	29,094,084
<b>Income management cash flows (A)</b>	<b>707,665</b>	<b>27,644,499</b>
<b>B. Cash flows deriving from investments</b>		
<i>Tangible fixed assets</i>		
(Investments)	(84,373)	(55,817)

Disinvestment realisable value	0	0
<i>Intangible fixed assets</i>		
(Investments)	33,222	(6,778)
Disinvestment realisable value	0	0
<i>Fixed financial assets</i>		
(Investments)	(11,079,012)	(8,760,971)
Disinvestment realisable value	0	0
<i>Short-term financial assets</i>		
(Investments)		(18,584,800)
Disinvestment realisable value		
<b>Cash flow of investments (B)</b>	<b>(11,130,163)</b>	<b>(27,408,366)</b>
<b>C. Cash flows deriving from financing activities</b>		
<i>Minority interests</i>		
Increase/(decrease) of short-term bank liabilities	0	0
Loan opening/(repayment)	10,620,290	0
<i>Shareholders' equity</i>		
Increase/(decrease) of revenue capital /(repayment)	0	0
(Dividends and advances on dividends paid)	0	0
<b>Cash flow of financing activities (C)</b>	<b>10,620,290</b>	<b>0</b>
<b>Increase (decrease) in cash and cash equivalents (A +/-)B +/-)C)</b>	<b>197,792</b>	<b>236,133</b>
<b>Cash and cash equivalents at end of period</b>	<b>618,589</b>	<b>420,797</b>
<b>Cash and cash equivalents at start of period</b>	<b>420,797</b>	<b>184,663</b>



## EXPLANATORY NOTES TO THE SEPARATE FINANCIAL REPORT AS AT 31 DECEMBER 2022

### **1. STRUCTURE AND CONTENT OF THE SEPARATE FINANCIAL REPORT**

*The separate financial report as at 31 December 2022 has been prepared in accordance with the assessment and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission.*

The reporting date of the separate financial report coincides with the closing date of the company's financial year.

The Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the Statement of Changes in Shareholders' equity are expressed in Euro units while the values reported in the Explanatory Notes are expressed in thousands of Euro, unless otherwise specified.

It should also be noted that these financial statements have been prepared on the basis of the best available understanding of the IAS-IFRS standards and taking into account the best doctrine on the subject; any future guidelines and interpretative updates will be reflected in subsequent years, in accordance with the procedures established from time to time by the reference accounting standards.

The publication of this financial report, audited by BDO Italia S.p.A., was authorised with resolution of the Board of Directors of 14 March 2023.

### **2. ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA**

The preparation of the financial statements and the related notes in application of the IAS-IFRS standards requires Management to use estimates and assumptions that have an effect on the values of the assets and liabilities in the financial statements and on the information relating to contingent assets and potential liabilities at the reporting date as well as on the amount of revenues and costs in the accounting period represented. The estimates and assumptions used are based on experience and other factors considered relevant. Therefore, the actual results could differ from these estimates. Estimates and assumptions are periodically reviewed and the effects of any change made to them are reflected in the income statement in the period in which the estimate revision takes place if the revision affects only that period, or also in subsequent periods if the revision has effects on both the current and future years.

For a better understanding of the Separate Financial Statements, the most significant estimates in the process of preparing the Separate Financial Statements are indicated below as they involve a degree of subjective judgements, assumptions and estimates relating to issues that are uncertain by their nature. Changes in the conditions underlying the judgements and assumptions adopted could have a material impact on subsequent results.

- ◎ Valuation of receivables: trade receivables are adjusted by the related bad debt provision to take into account their recoverable value. The determination of the amount of the write-downs requires the directors to make subjective assessments determined on the basis of past experience for similar receivables or of current and historical past due, closing rates, losses and collections, credit quality careful monitoring.
- ◎ Valuation of inventories: inventories that are obsolete are periodically valued and written down if their net realisable value is lower than the book value. Write-downs are calculated on the basis of assumptions and estimates made by management, deriving from its experience and from sales forecasts.
- ◎ Valuation of deferred tax assets: the valuation of deferred tax assets, whose recovery in future years is considered highly probable, is carried out on the basis of the expected taxable income in future years. The valuation of these expected taxable incomes depends on factors that could change over time and have significant effects on the valuation of deferred tax assets.
- ◎ Income taxes: the determination of the tax liabilities requires the use of valuation by management with reference to transactions whose tax implications are not certain at the reporting date.
- ◎ Impairment of intangible assets and property, plant and equipment with a finite useful life: these assets are subject to verification in order to ascertain whether there has been an impairment loss, which must be recognised through a write-down, when there are indicators that lead to anticipate difficulties in the recovery of the related net book value through use. Verification of the presence of the aforementioned indicators requires the Directors to make subjective assessments based on the information available within the company and from the market, as well as on historical experience. In addition, if it is determined that a potential impairment may have occurred, the company proceeds to determine the same using valuation techniques deemed suitable. The correct identification of elements indicating the presence of a potential impairment, as well as the estimates for its determination, depend on factors that may vary over time and are subject to uncertainties and the use of estimates (growth rates, rates of return of assets, economic and financial projections influenced by uncontrollable external variables) that influence the valuations and estimates made by the Directors.

© Measurement of intangible assets and property, plant and equipment with a finite useful life: property, plant and equipment and intangible assets with a finite useful life are amortised and depreciated over the estimated useful life of the related assets. The useful economic life of assets is determined by the Directors at the time the asset is purchased; it is based on historical experience for similar fixed assets, market conditions and forecasts regarding future events that could have an impact on the useful life. Therefore, the actual economic life may differ from the estimated useful life. The company periodically assesses technological and sector changes to update residual useful life. This periodic update could result in a change in the depreciation and amortisation period and therefore also in the amortisation and depreciation charged in future years.

© Pension plans: the present value of pension benefits liabilities depends on a series of factors that are determined with actuarial techniques using certain assumptions. These assumptions concern the discount rate, the expected return on plan assets, the rates of future salary increases, mortality and resignation rates. Any change in the aforementioned assumptions could have significant effects on pension benefits liabilities.

© Valuation of provisions for risks: having heard the opinion of their legal and tax advisors and experts, the Directors ascertain a liability in relation to any disputes when they deem it probable that a financial disbursement will occur and when the amount of the resulting losses can be reasonably estimated. This estimate involves the adoption of assumptions that depend on factors that may change over time and that could, therefore, have significant effects with respect to the current estimates made by the Directors for the preparation of the company's separate financial statements.

© Determination of fair value: the fair value of certain financial assets that are not listed on active markets is determined using valuation techniques. The company uses valuation techniques that use inputs directly or indirectly observable by the market at the end of the year, connected to the assets being valued. Although the estimates of the aforementioned fair values are considered reasonable, possible changes in the estimation factors on which the calculation of the aforementioned values is based could result in different valuations.

The separate financial report was prepared on a going concern basis.

Below is a description of the most significant accounting standards adopted for the preparation of the separate financial statements of Digital Value S.p.A. as at 31 December 2022.

## INTANGIBLE FIXED ASSETS

Intangible fixed assets refer to assets without identifiable physical substance, controlled by the company and capable of producing future economic benefits, as well as goodwill when acquired for consideration.

Identifiability is defined with reference to the possibility of distinguishing the intangible fixed asset acquired from goodwill; this requirement is normally met when:

- the intangible fixed asset is attributable to a legal or contractual right, or
- the asset is separable, i.e. it can be sold, transferred, leased or exchanged independently or as an integral part of other assets; control by the company consists in the power to exploit the future economic benefits deriving from the asset and in the possibility of limiting access to it by others.

Intangible fixed assets are recognised at cost determined according to the criteria specified for tangible fixed assets.

Intangible fixed assets with a finite useful life are systematically amortised over their useful life, understood as the estimate of the period in which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated in the “Impairment of assets” section.

Goodwill and other intangible fixed assets with an indefinite useful life, where present, are not subject to amortisation; the recoverability of their book value is verified at least annually and in any case when events occur that suggest an impairment.

Goodwill is an intangible fixed asset with an indefinite useful life, deriving from business combinations accounted for using the purchase method, where the acquisition cost exceeds the purchaser's share of the fair value of the assets and liabilities acquired. After initial recognition, goodwill is not subject to systematic amortisation but to periodic impairment testing. Consequently, its initial carrying amount is adjusted for any accumulated impairment losses, determined in the manner described below. Goodwill is subject to an annual impairment test, which may occur more frequently, if there are indications of impairment.

At the acquisition date, any emerging goodwill is allocated to each of the cash generating units (the “CGUs”) that are expected to benefit from the synergistic effects of the acquisition. Any impairment is identified through assessments based on each CGU's ability to produce cash flows capable of recovering the portion of goodwill allocated to it. The impairment test shows an impairment of goodwill whenever the recoverable amount of the CGU's cash, to which the goodwill is attributed,

is lower than its book value in the financial statements. This impairment loss is not reinstated if the reasons for its recognition no longer exist.

Other intangible fixed assets have been amortised at 20%, estimating a useful life of 5 years with the exception of licences, which are amortised over a useful life of 3 years.

The amortisation period and amortisation criteria for intangible fixed assets with a definite useful life are reviewed at least at the end of each financial year and adjusted if necessary.

#### **PROPERTY, PLANT AND EQUIPMENT**

Tangible fixed assets are recognised at purchase price or production cost, including directly attributable ancillary costs necessary to make the assets available for use.

Tangible fixed assets are systematically depreciated on a straight-line basis over their useful life, i.e. the estimated period over which the asset will be used by the company. When the tangible fixed asset consists of several significant components with different useful lives, each component is depreciated. The value to be depreciated is represented by the book value less the presumed net disposal value at the end of its useful life, if significant and easily determinable. Land (elements with an indefinite useful life), even if purchased together with a building, is not depreciated, nor are tangible fixed assets held for sale, which are valued at the lower of their book value or fair value net of disposal costs.

Tangible fixed assets are stated net of accumulated depreciation and any impairment losses determined in accordance with IAS 36. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset for the company, which is reviewed annually and any changes, where necessary, are applied prospectively. The main depreciation rates used are as follows:

<b>Category</b>	<b>Depreciation rates</b>
Buildings	5%
Plant and machinery	15%-20%
Technical installations	20%
Fixtures and fittings	12%
Electronic office machinery	20%
Vehicles	25%

The residual carrying amount, useful life and depreciation criteria are reviewed at each financial year-end and adjusted if necessary.

An asset is derecognised at the time of sale or when there are no future economic benefits expected from its use or disposal. Any losses or gains (calculated as the difference between the net proceeds from the sale and the carrying amount) are included in the income statement at the time of derecognition. Improvements on third party assets are classified under property, plant and equipment, in line with the nature of the cost incurred. In these cases, the amortisation period corresponds to the shorter of the residual useful life of the tangible asset and the residual maturity of the lease.

Assets in progress are recognised at cost under work in progress until they are available for use; when they become available for use, the cost is classified in the related item and subject to amortisation.

The gain or loss generated by the sale of property, plant, machinery, fittings and other assets is determined as the difference between the net consideration of the sale and the net residual value of the asset, and is recognised in the income statement for the year in which derecognition takes place.

The costs incurred after the purchase of the assets and the replacement cost of some parts of the assets recognised in this category are added to the book value of the item to which they refer and capitalised only if they increase the future economic benefits inherent in the same asset and therefore amortised on the basis of the asset's residual possibility of use. All other costs are recognised in the income statement when incurred.

When the replacement cost of some parts of the assets is capitalised, the residual value of the replaced parts is charged to the income statement.

Gains and losses deriving from the sale or disposal of assets are determined as the difference between the sales revenue and the net book value of the asset and are charged to the income statement for the year.

### *Leasing*

The company must assess whether the contract is, or contains, a lease at the date of signing it. The company recognises the Right of use and the related Lease liability for all lease contracts where it is a lessee, with the exception of short-term contracts (lease contracts with a duration equal to or less than 12 months) and leases relating to low-value assets (i.e. assets with a value of less than €5,000, when new). The contracts for which the latter exemption has been applied fall mainly within the following categories: computers, telephones and tablets; printers, other electronic devices, furniture and furnishings.

With regard to these exemptions, the company recognises the related payments in the form of operating expenses recognised on a straight-line basis over the duration of the contract.

The lease liability is initially recognised at the present value of future payments at the start date of the contract. Since most of the rental contracts entered into by the company do not have an implicit interest rate, the discounting rate to be applied to future payments was determined as the risk-free rate,



with maturities commensurate with the duration of the specific lease contract, increased by the specific credit spread of the company that signed the contract.

The lease payments included in the value of the Lease liability include:

- the fixed component of the lease payments, net of any incentives received;
- variable lease payments on the basis of an index or a rate, initially measured using the index or rate at the start date of the contract;
- the amount of guarantees for the residual value that the lessee expects to have to pay;
- the exercise price of the purchase option, which must be included only if the exercise of that option is reasonably certain;
- penalties for early settlement of the contract, if the lease term provides for the option to terminate the lease and its exercise is reasonably certain.

After initial recognition, the book value of the Lease liability increases due to the interest accrued (using the effective interest method) and is reduced to take into account the payments made under the lease contract.

The company restates the value of Lease liabilities (and adjusts the value of the correspondent Rights of Use) if:

- Changes in the duration of the lease or a change in the valuation of the option right; in this case, the lease liability is restated by discounting the new lease payments at the revised discounting rate.
- Changes in the value of lease payments as a result of changes in indices or rates, in such cases the lease liability is restated by discounting the new lease payments at the initial discounting rate (unless the payments due under the lease contract change as a result of fluctuation in interest rates, in which case a revised discounting rate must be used).

The company did not recognise any of the aforementioned changes in the period, however, availing itself of the possibility of early application of the amendment envisaged by the amendment to IFRS 16 - Covid-19 Related Rent Concessions, which made it possible to account for the effects of the rent reductions directly in the income statement at the effective date of the reduction, without having to assess, through the analysis of the contracts, whether the IFRS 16 definition of lease modification applies.

The company did not recognise any of the aforementioned modifications during the period. Right of use assets includes the initial measurement of the lease liability, the lease payments made before or at the contract start date and any other initial direct cost. The right of use is recognised in the financial statements net of amortisation



and any impairment losses. The incentives linked to the lease (for example, free lease periods) are recognised as part of the initial value of rights of use and of the liability for the lease over the contractual period.

Rights of use are systematically amortised at the lower of the lease term and the residual useful life of the underlying asset. If the lease contract transfers ownership of the related asset or the cost of the right of use reflects the company's intention to exercise the purchase option, the related right of use is amortised over the useful life of the asset in question. The amortisation starts from the commencement of the lease.

Rights of use are included in the item "Property, plant and equipment" of the consolidated statement of financial position.

The company applies IAS 36 Impairment of Assets in order to identify the presence of any impairment losses.

In the cash flow statement, the company breaks down the total amount paid into a principal portion (recognised in the cash flow as deriving from financial activities) and the interest portion (recognised in the cash flow as deriving from operations).

#### **FINANCIAL ASSETS AND EQUITY INVESTMENTS**

Business combinations are accounted for using the acquisition method (IFRS 3).

The cost of an acquisition is measured as the sum of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, any non-controlling interest in the acquiree must be measured at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets.

Acquisition costs are expensed and classified as administrative expenses. If the business combination is carried out in several stages, the fair value of the investment previously held is recalculated at fair value at the acquisition date, recording any resulting gain or loss in the income statement. Goodwill is initially measured at cost, which is the excess of the sum of the consideration paid and the amount recognised for minority interests over the identifiable net assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination must, at the acquisition date, be allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset must be included in the carrying amount of the asset when determining the gain or loss on disposal.

The goodwill associated with the discontinued asset must be determined on the basis of the relative values of the discontinued asset and the portion of the cash generating unit retained. All financial assets are initially recognised, at the trading date, at cost, which corresponds to the fair value increased by costs directly attributable to the purchase, with the exception of financial assets held for trading (fair value in the income statement).

All financial assets must subsequently be recognised at amortised cost or at fair value on the basis of the entity's business model for the management of the financial assets and the characteristics relating to the financial asset's contractual cash flows. Specifically:

- Debt instruments held as part of a business model whose objective is the ownership of financial assets for the collection of contractual cash flows, and which have cash flows represented solely by payments of principal and interest on the amount of principal to be returned, are subsequently measured at amortised cost;
- Debt instruments held as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets, and which have cash flows represented solely by payments of principal and interest on the amount of the principal to be repaid, are subsequently measured at fair value with changes recognised in other comprehensive income (FVTOCI);
- All other debt instruments and investments in equity instruments are subsequently measured at fair value, with changes recognised through profit (loss) for the year (FVTPL).

When an investment in a debt instrument measured as FVTOCI is derecognised, the cumulative profit (loss) previously recognised in other comprehensive income is restated from shareholders' equity to profit (loss) for the year through a reclassification adjustment. Conversely, when an investment in an equity instrument designated as FVTOCI is derecognised, the cumulative profit (loss) previously recognised in other comprehensive income is subsequently transferred to retained earnings without passing through the income statement. Dividends received from investments in equity instruments are recognised in the income statement.

Debt instruments subsequently measured at amortised cost or FVTOCI are subject to impairment of financial assets. In relation to the impairment of financial assets, the company has applied a model based on expected credit losses, with reference to trade receivables. In particular, the company measures the provision to cover losses from a financial asset at an amount equal to the lifetime expected credit losses (ECL) if the credit risk of that financial asset has significantly increased afterwards initial recognition, or if the financial instrument is a purchased or originated non-performing financial asset. However, if the credit risk of a financial instrument has not increased significantly after initial recognition, the company must measure the loss provision for the financial instrument for an amount equal to the expected losses on credits resulting from a default event in the 12 subsequent months (12-months expected credit losses).

The company adopts the simplified method to measure the provision to cover losses for trade receivables by estimating the expected losses over the entire life of the credit, as well as a customer-by-customer analysis of past due receivables of doubtful collectability.

The company derecognises all or part of its financial assets when:

- the contractual rights relating to these activities have expired;
- it transfers the risks and benefits deriving from the ownership of the asset or does not transfer nor does it substantially retain all the risks and benefits but transfers control of these assets;
- Receivables transferred as a result of factoring transactions are derecognised from the balance sheet only if assigned without recourse, and if all the risks inherent in the receivable are substantially transferred.

Receivables assigned with recourse, or in any case without the transfer of all risks, remain recognised in the financial statements and a financial liability of the same amount is recognised under liabilities against the advance received.

### Accounting for the acquisition of TT Tecnosistemi S.p.A.

On 4 November 2021, Digital Value acquired 51% of the share capital of Società TT Tecnosistemi S.p.A. (hereinafter “TTT”), a company based in Prato (PO) specialised in *managed services* and environmentally sustainable technological solutions, for a value equal to €8,543 thousand (hereinafter the “**Acquisition**”) in addition to accessory charges of €218 thousand.

As part of this transaction, Digital Value and the sellers agreed, inter alia, on a cross call and put option mechanism through which the sellers granted Digital Value the right to purchase in one or two tranches the remaining equity investment in TTT (call option) and Digital Value granted the sellers the right to sell in one or two tranches the remaining stake in TTT (put option).

Specifically, the agreements envisaged:

1. a first call option that can be exercised, up to 19% of the share capital of TTT, in the 30 business days following the first of the following dates: (i) the date of approval of the financial statements of TTT as at 31 December 2021 or (ii) 1 July 2022.
2. a second call option, exercisable for the remaining part of the share capital of TTT, in the 30 business days following the first of the following dates: (i) the date of approval of the financial statements of TTT as at 31 December 2023 or (ii) 1 July 2024.

On 13 June 2022, Digital Value exercised the first call option on 19% of the share capital of TTT for a consideration of €3,931 thousand, in addition to accessory charges of €9 thousand. This price, paid in a lump sum, was paid with own funds. Therefore, the Company currently holds 70% of the share capital of TTT. The estimated value of the disbursement that will be incurred for the exercise of the second put option is €6,572 thousand. This amount as at 31 December 2022 is accounted for as a non-current liability under the item “medium/long-term loans”.

### INVENTORIES

Inventories are recognised at the lower of purchase or production cost and estimated realisable value, based on market trends and taking account of obsolescence.

The cost of inventories of goods that are not normally replaceable and of merchandise and services produced for specific projects is allocated on the basis of the specific costs relating to the various elements that make up the inventories.

In the case of replaceable goods, the cost of inventories is calculated using the weighted average cost.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash and bank current accounts and deposits repayable on demand and other highly liquid short-term financial investments, which are readily convertible into cash and are subject to an insignificant risk of change in value.

### **RECEIVABLES**

With regard to financial assets, the Group adopts the new IFRS 9 Financial Instruments accounting standard, also applicable to receivables.

Trade receivables and other short-term assets are initially recognised at their fair value and subsequently valued at amortised cost, net of any write-downs. At the time of recognition, the nominal value of the receivable is representative of its fair value at the date.

The allowance for doubtful debts at this date represents the difference between the book value of the receivables and the reasonable expectation of recoverability of the receivables deriving from the financial flows expected from their collection, also in consideration of historical experience and management's forecasts regarding the future recoverability of the receivables (Forward Looking Approach).

### **IMPAIRMENT OF FINANCIAL ASSETS**

At each reporting date, the Company verifies whether a financial asset or group of financial assets has suffered a loss in value. A financial asset or group of financial assets is subject to impairment if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (when a “loss event” occurs) and this loss event has an impact, which can be reliably estimated, on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment may be represented by indicators such as financial difficulties, inability to meet obligations, insolvency in the payment of interest or significant payments, which are affecting debtors or group of debtors; the likelihood that it will fail or be subject to another form of financial reorganisation, and where observable data indicates that there is a measurable decrease in estimated future cash flows, such as changes in environments or economic conditions related to obligations.

Management also assesses elements such as the performance of the sector to which the counterparty belongs, financial activities and general economic performance and makes considerations also in a forward looking perspective.

If there is objective evidence of impairment, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

estimated futures (excluding expected future credit losses that have not yet occurred). The carrying amount of the asset is reduced through the use of an allowance for doubtful debts and the amount of the loss is recognised in the income statement. If, in a subsequent period, the amount of the estimated write-down increases or decreases as a result of an event occurring after the write-down was recognised, the previously recognised write-down will be increased or decreased by adjusting the provision against the income statement.

#### **IMPAIRMENT OF NON-FINANCIAL ASSETS**

At each balance sheet date, the Company assesses whether there are any indicators of impairment of non-financial assets. When events occur that lead to the presumption of an impairment of an asset or when an annual impairment test is required, its recoverability is verified by comparing its book value with its related recoverable value, represented by the higher of the fair value, net of disposal costs, and the value in use.

In the absence of a binding sales agreement, the fair value is estimated on the basis of the values expressed by an active market, recent transactions or on the basis of the best information available to reflect the amount that the company could obtain from the sale of the asset.

The value in use is determined by discounting the expected cash flows deriving from the use of the asset and, if significant and easily determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documentable assumptions representative of the best estimate of future economic conditions that will occur in the residual useful life of the asset, giving greater importance to external indications. Discounting is carried out at a rate that takes into account the risk implicit in the business area.

The assessment is carried out for each individual asset or for the smallest identifiable set of assets that generates autonomous incoming cash flows deriving from continuous use (cash generating unit). When the reasons for write-downs carried out no longer apply, the assets, except for goodwill, are revalued and the adjustment is charged to the income statement as a revaluation (value restatement). Revaluation is carried out at the lower of the recoverable value and the book value, gross of write-downs previously carried out and reduced by the amortisation or depreciation rates that would have been allocated if no write-down had been carried out.

## **FINANCIAL LIABILITIES**

Financial liabilities which fall within the scope of application of IFRS 9 are classified as financial liabilities at amortised cost or fair value through the balance sheet, as financial payables, or as derivatives designated as hedging instruments, as the case may be. The financial liabilities of Group companies include trade payables and other payables, loans and derivative financial instruments. Group companies determine the classification of their financial liabilities at the time of initial recognition.

Financial liabilities are initially valued at their fair value equal to the amount received at the settlement date, plus, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by recognising any discount or premium on the acquisition and fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included in the financial charges in the income statement.

Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Financial liabilities are derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled.

## **EMPLOYEE BENEFITS**

The provision for employee severance indemnities falls within the scope of what IAS 19 describes as defined benefit plans in the context of post-employment benefits. Defined benefit plans, which also include severance indemnities due to employees pursuant to Article 2120 of the Italian Civil Code, include the amount of benefits to be paid to employees that can only be quantified after termination of employment, and are linked to one or more factors such as age, years of service and remuneration. Therefore, the related cost is charged to the income statement on the basis of an actuarial calculation.

The liability recognised in the financial statements for defined benefit plans corresponds to the present value of the obligation at the reporting date. Obligations for defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The present value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of high-quality corporate bonds issued in Euro and which takes into account the duration of the related pension plan. Actuarial profits and losses arising from these adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income.



As of 1 January 2007, the 2007 Finance Act and the related implementing decrees introduced major changes to the rules governing severance indemnities, including providing employees with the choice as to the destination of their accrued severance indemnities. In particular, new severance indemnity flows can be directed by the worker to selected pension schemes or maintained within the company. In the case of allocation to external pension funds, the company is only subject to the payment of a defined contribution to the chosen fund, and from that date the newly accrued units are defined contribution plans and therefore are not subject to actuarial valuation. From 1 January 2007, for companies with more than 50 employees at the date of introduction of the reform, there is an obligation to pay the new flows of employee severance indemnity to pension schemes chosen by the employee or, if the same employee has opted for the retention of these flows within the company, to a treasury account set up with INPS. For the company, the employee severance indemnity accrued as at 31 December 2006 continues to fall under “defined benefits plans”, while that accrued after that date is configured, for all employees, as a “defined contribution plan” and this is because all obligations pertaining to the companies are exhausted with the periodic payment of a contribution to a third entity. Exceptions to this are the portions accrued by employees who have opted for the employee severance indemnity to be retained within the company, which are configured as a defined benefits plan.

### **Defined contribution plans**

Defined contribution plans are formalised post-employment benefits plans on the basis of which the company pays fixed contributions to an insurance company or pension fund and will not have a legal or implicit obligation to pay additional contributions if the fund does not have sufficient assets to pay all employee benefits relating to the work carried out in the current and previous years.

These contributions, paid in exchange for the work rendered by employees, are accounted for as a cost in the relevant period.

### **Defined benefits plans**

Defined benefits plans are formalised post-employment benefits plans that constitute a future obligation for the company.

The company essentially bears the actuarial and investment risks relating to the plan. As required by IAS 19, the company uses the Projected unit credit method to determine the current value of the obligations and the related social security cost of current work.

This actuarial calculation requires the use of objective and compatible actuarial assumptions on demographic (mortality rate, staff turnover rate) and financial variables (discount rate, future increases in salary levels and benefits for medical assistance).

Actuarial profits and losses relating to post-employment defined benefits plans may derive both from changes in the actuarial assumptions used for the calculation between two consecutive years and from changes in the value of the obligation in relation to the actuarial assumptions made at the beginning of the year. Actuarial profits and losses are recognised and immediately charged to other comprehensive income.

Net financial charges on defined benefits plans are recognised under financial income/(charges) in the income statement.

#### **PROVISIONS FOR RISKS AND CHARGES**

Provisions for risks and charges refer to costs and charges of a specific nature and of a certain or probable likelihood, whose amount or date of occurrence is not known at the reporting date. Provisions are recognised when:

- it is probable that there will be a current legal or implied obligation arising from a past event;
- it is probable that fulfilment of the obligation will involve a cost;
- the amount of the obligation can be reliably estimated.

Provisions are recorded at the value representing the best estimate of the amount that the company would reasonably pay to extinguish the obligation or to transfer it to third parties at the end of the period.

#### **CURRENT AND NON-CURRENT FINANCIAL LIABILITIES**

Loans are initially valued at cost, net of ancillary charges for the acquisition of the loan. After initial recognition, loans are recognised at amortised cost. Loans are classified under non-current and current liabilities depending on whether or not the company has the unconditional right to defer the settlement of said liability for at least 12 months after the reference date.

#### **TRADE PAYABLES**

Trade payables are recorded at their nominal value, which is equal to their settlement value. Valuation at amortised cost was not carried out because it was not considered significant.

#### **INCOME TAXES**

Income taxes include current, prepaid and deferred taxes. Income taxes are generally charged to the income statement, except when they relate to items directly recorded under shareholders' equity. Current taxes are calculated by applying the tax rate in force to the taxable income for the year

at the balance sheet date. Deferred taxes are calculated using the liability method on temporary differences between the amount of assets and liabilities in the financial statements and the corresponding values recognised for tax purposes. Deferred taxes are calculated on the basis of the tax rate that is expected to be in force when the asset is realised or the liability is settled. Deferred tax assets are recognised only if it is probable that sufficient taxable income will be generated in future years to realise such assets. Deferred tax assets and liabilities are offset only when there is a legal right to offset and when they relate to taxes due to the same tax authority.

Starting from 2019, Digital Value S.p.A. exercised, as consolidating company, the option for National Tax Consolidation jointly with Italware S.r.l., ITD Solutions S.p.A. and Italware Services S.r.l. as consolidated companies.

#### **CRITERIA FOR THE CONVERSION OF ITEMS IN FOREIGN CURRENCIES**

Foreign currency transactions are recorded using the exchange rate in force on the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are converted at the exchange rate prevailing at that date. Exchange rate differences generated by the extinction of monetary items or their conversion at rates different from those at which they were converted at the time of initial recognition, during the year or in previous financial statements, are recorded in the income statement. All assets and liabilities of foreign companies in currency other than the Euro which fall within the scope of consolidation are converted using the tax rates applicable at the financial statements reference date. Income and costs are converted at the average exchange rate for the year. Exchange differences resulting from the application of this method are classified as a shareholders' equity item until the disposal of the investment.

#### **REVENUE RECOGNITION**

Revenues are recognised to the extent that it is probable that economic benefits will be realised by the company and their value can be measured reliably. Revenues from sales and services are recognised when the transfer of the major risks and rewards from ownership occurs or upon completion of the service. Sales of goods are recognised when the goods are shipped and the company has transferred the significant risks and rewards of ownership of the goods to the purchaser. Revenues are shown net of returns, discounts, allowances and premiums, as well as directly related taxes. Revenues are valued taking into account the consideration specified in the contract with the customer. The company recognises revenues when it transfers control of goods or services.

Revenues are recognised by applying a five-step model as follows:

- ⊙ Identification of the contract with the customer;
- ⊙ Identification of the “performance obligations” envisaged by the contract;
- ⊙ Determination of the consideration for the transaction;
- ⊙ Allocation of the consideration for individual “performance obligations”;
- ⊙ Recognition of revenues at the time (or during) the fulfilment of individual “performance obligations”.

Revenues are recognised to the extent that it is probable that the economic benefits associated with the sale of goods or the provision of services will be achieved by the company and the related amount can be reliably determined. Revenues are recognised at fair value, equal to the consideration received or due, taking into account the value of any commercial discounts granted and reductions related to quantities.

With regard to the sale of goods, the revenue is recognised when the company has transferred the significant risks and benefits associated with the ownership of the goods to the purchase agent. Contracts with customers generally include a single performance obligation. The performance obligation is considered satisfied upon delivery of the asset.

### **RECOGNITION OF COSTS**

Costs are recognised when they relate to goods and services purchased and/or received during the period.

Service costs are recognised on an accrual basis.

For all financial instruments measured at amortised cost, interest expense is recognised using the effective interest rate (EIR), which is the rate that precisely discounts future payments and collections, estimated over the expected life of the financial instrument.

### **3. ACCOUNTING STANDARDS ADOPTED**

The accounting standards adopted are the same as those applied for the preparation of the separate financial statements for the year ended 31 December 2021, with the exception of the new accounting standards and amendments to existing accounting standards, which are indicated below.

#### **IFRS standards, amendments and interpretations adopted from 1 January 2022**

On 14 May 2020, the IASB published the following amendments:

- Amendments to IFRS 3 Business Combinations: the amendments aim to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of IFRS 3.

- Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the deduction from the cost of tangible assets of the amount received from the sale of products in the testing phase of the same. These sales revenues and the related costs will therefore be recognised in the income statement.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all costs directly attributable to the contract must be considered in the estimate of the possible onerousness of the contract. Consequently, the assessment of the possible onerousness of a contract includes not only incremental costs (such as, for example, the cost of the direct material used in its processing), but also all the costs that the company cannot avoid because it has stipulated the contract (such as, for example, the portion of personnel costs and depreciation of the machinery used to fulfil the contract).
- Annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

### **New standards, interpretations and amendments not yet effective**

There are numerous standards, amendments to the standards and interpretations that have been issued by the IASB, but which will be effective in future accounting years, which the Group has decided not to apply in advance.

The following amendments are effective from the financial year starting on 1 January 2023:

- Communication of accounting standards (Amendments to IAS 1 and IFRS Practice Statement 2 of the IFRSs);
- Definition of accounting estimates (Amendments to IAS 8); and
- Deferred tax liabilities relating to assets and liabilities deriving from a single transaction (Amendments to IAS 12).

The following amendments are effective from financial year starting on 1 January 2024:

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

## **5. FINANCIAL RISK MANAGEMENT**

The main risks identified, monitored and actively managed by the company are as follows:

### **CREDIT RISK**

The company only provides intragroup services and there is no credit risk.

### **LIQUIDITY RISK**

Liquidity risk relates to the company's ability to meet the commitments arising from its financial liabilities. The company was able to generate a level of liquidity suitable for the corporate objectives, allowing for the maintenance of a balance in terms of duration and composition of the debt. In any case, the liquidity risk originating from normal operations is kept at a low level by managing an adequate level of cash and cash equivalents and controlling the availability of funds obtainable through credit lines.

### **INTEREST RATE RISK**

The company has no significant bank debt and is not exposed to the potential risks arising from changes in interest rates on the floating-rate loans described above.

### **MARKET RISK**

This risk is considered to be low for the company.

### **RISK OF CHANGES IN CASH FLOWS**

For the company, the risk is low. It should also be noted that there is no particular need for access to bank lending, except for current commercial activities, given the approval of banks to extend, when necessary, existing credit lines with Group companies.

## 6. COMMENTS ON KEY ITEMS

Amounts are shown in thousands of Euro.

### 6.1 BALANCE SHEET: NON-CURRENT ASSETS

#### 6.1.1. Intangible fixed assets €50 thousand

Description	31/12/2022	31/12/2021
Other assets	50	8
<b>Total</b>	<b>50</b>	<b>8</b>

These are software licenses for internal use. The investment made during the year of €50 thousand relates to the implementation of the Oracle Hyperion consolidation system.

Amounts in € thousand	Concessions, Licenses, Trademarks	Total intangi ble assets
<b>Value at the beginning of the 2021 financial year</b>		
Historical cost	23	23
Accumulated Amortisation	-15	-15
<b>2021 book value</b>	<b>8</b>	<b>8</b>
<b>Changes during the year</b>		
Investments	50	50
Depreciation/Amortisation	-8	-8
Decreases		0
<b>Total changes</b>	<b>42</b>	<b>42</b>
<b>Value at the end of the financial year</b>		
Historical cost	73	73
Accumulated Amortisation	-23	-23
<b>2022 book value</b>	<b>50</b>	<b>50</b>

#### 6.1.2. Property, plant and equipment and rights of use €107 thousand

The table below shows a breakdown of this item.

Description	31/12/2022	31/12/2021
Other assets	107	59
<b>Total</b>	<b>107</b>	<b>59</b>



Property, plant and equipment as at 31 December 2022 amounted to €107 thousand and refer entirely to the assets consisting of rights of use recognised pursuant to IFRS 16.

	Concessions, Licenses, Trademarks	Total Intangible fixed assets
<b>Value at the beginning of the 2021 financial year</b>		
Historical cost	87	87
Accumulated Amortisation	-28	-28
<b>2021 book value</b>	<b>59</b>	<b>59</b>
<b>Changes during the year</b>		
Investments	84	84
Depreciation/Amortisation	-36	-36
Decreases		0
<b>Total changes</b>	<b>48</b>	<b>48</b>
<b>Value at the end of the financial year</b>		
Historical cost	171	171
Accumulated Amortisation	-64	-64
<b>2022 book value</b>	<b>107</b>	<b>107</b>

### 6.1.3. Financial assets €55,058 thousand

Description	31/12/2022	31/12/2021
Equity investments in subsidiaries	55,058	43,979
<b>Total</b>	<b>55,058</b>	<b>43,979</b>

The increase of €11,079 thousand is due to:

- for €10,512 thousand to the increase in the equity investment in the company TT Tecnosistemi S.p.A. On 13 June 2022, Digital Value exercised the first call option on 19% of the share capital of TTT for a consideration of €3,931 thousand, in addition to accessory charges of €9 thousand. This price, paid in a lump sum, was paid with own funds. Therefore, the Company currently holds 70% of the share capital of TTT. The estimated value of the disbursement that will be incurred for the exercise of the second put option is €6,572 thousand. This amount as at 31 December 2022 is accounted for as a non-current liability under the item "medium/long-term loans";
- €7 thousand for the payment of 70% of the share capital of DV Broker S.r.l., established on 27 July 2022, with a share capital of €10 thousand. The company supervises and sets in place insurance policies for the Digital Value Group;

- €560 thousand for the equity investment in Digital Value Managed Services S.r.l., established on 26 September 2022, with a share capital of €10 thousand fully paid-up and subscribed by Digital Value S.p.A. On 4 November 2022, the Company leased the “Digital” business unit from Filippetti S.p.A. in liquidation.

Below is a list of equity

investments:

Investees	Book value as at 31/12/2022	% ownership	SE investee (pro-rata) as at 31/12/2022 IFRS
ITD Solutions S.p.A.	9,076	100%	19,740
Italware S.r.l.	25,733	100%	67,453
Dimira S.r.l.	408	51%	468
TT Tecnosistemi S.p.A.	19,273	70%	11,648
DVMS S.r.l.	560	100%	63
DV Broker S.r.l.	7	70%	26
<b>Total as at 31/12/2022</b>	<b>55,058</b>		<b>99,398</b>

The value of the equity investments listed above was subjected to an impairment test which showed a recoverable value higher than the book value for all the investees and, therefore, no write-down was carried out. The estimated recoverable value was based on the discounting of the income flows expected from each investee, which reliably approximate cash flows. The estimated expected flows took into account a projection based on historical trends and the growth rates of the addressable, adjusted where necessary to ensure compliance with the current earnings capacity of the investee. The WACC discounting rate takes into account the current conditions of the capital market, the specific risk of the business and the Company's financial structure at the reference date of the estimate. WACC was equal to 9.5%. A sensitivity analysis was carried out, on whose basis an unfavourable WACC variance of 11.5% would not lead to an impairment of the equity investments.

## 6.2 BALANCE SHEET: CURRENT ASSETS

### 6.2.1 Trade receivables €3,849 thousand

Description	31/12/2022	31/12/2021
Receivables from subsidiaries for corporate services	3,849	2,532
<b>Total</b>	<b>3,849</b>	<b>2,532</b>

Receivables derive from corporate services provided to other companies of the Digital Value Group.

#### 6.2.2 Tax receivables €0 thousand

Description	31/12/2022	31/12/2021
Current tax receivables	0	490
<b>Total</b>	<b>0</b>	<b>490</b>

#### 6.2.3 Other assets €45,465 thousand

Description	31/12/2022	31/12/2021
Receivables from subsidiaries for loans	13,935	18,435
Receivables from subsidiaries for tax consolidation	1,255	2,069
Receivables from subsidiaries for dividend income	29,571	0
Sundry receivables from subsidiaries	350	0
Receivables from parent companies for loans	0	150
Accrued income	127	22
Prepayments	172	25
Other miscellaneous	54	341
<b>Total</b>	<b>45,464</b>	<b>21,042</b>

#### 6.2.4 Cash and cash equivalents €619 thousand

Description	31/12/2022	31/12/2021
Bank and postal deposits	619	421
Cash on hand	0	0
<b>Total</b>	<b>619</b>	<b>421</b>

With regard to the breakdown and dynamics of cash and cash equivalents, please refer to the cash flow statement.

### 6.3 BALANCE SHEET: SHAREHOLDERS' EQUITY

Separate shareholders' equity as at 31 December 2022

(in € units)	Share capital	Share premium reserve	Other reserves	Profit for the year	Total shareholders' equity
<b>As at 31 December 2020</b>	<b>1,555</b>	<b>34,883</b>	<b>3,748</b>	<b>-1,228</b>	<b>38,958</b>
IAS/IFRS transition	0	0	-1	0	-1
Allocation of 2020 result	0	0	-1,228	1,228	0
Actuarial gains/(losses) IAS 19	0	0	-10	0	-10
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,512</b>	<b>24,512</b>
<b>As at 31 December 2021</b>	<b>1,555</b>	<b>34,883</b>	<b>2,509</b>	<b>24,512</b>	<b>63,459</b>
Allocation of 2020 result	0	0	24,512	-24,512	0
Actuarial gains/(losses) IAS 19	0	0	24	0	24
Purchase of treasury shares	0	0	-926	0	-926
Stock option	0	0	67	0	67
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,652</b>	<b>27,652</b>
<b>As at 31 December 2022</b>	<b>1,555</b>	<b>34,883</b>	<b>26,186</b>	<b>27,652</b>	<b>90,275</b>

The share capital, fully subscribed and paid up, amounts to €1,555 thousand and consists of 9,969,576 shares with no nominal value, divided as follows:

Description	Number
Ordinary shares	9,969,576
Special shares	-
<b>Total</b>	<b>9,969,576</b>

The breakdown of Other reserves is as follows:

Description	31/12/2022	31/12/2021
Legal Reserve	311	224
Extraordinary Reserve	3,525	3,525
IAS 19 FTA Reserve	14	-10
Reserve for treasury shares in portfolio	-1	-1
Stock option reserve	-926	0
Retained earnings	67	0
<b>Total</b>	<b>23,196</b>	<b>-1,229</b>
	<b>26,186</b>	<b>2,509</b>

## 6.4 BALANCE SHEET: NON-CURRENT LIABILITIES

### 6.4.1 Medium/long-term loans €6,639 thousand

Description	31/12/2022	31/12/2021
Payables to other lenders	6,639	35
<b>Total</b>	<b>6,639</b>	<b>35</b>

Receivables to other lenders refer to:

- e) for €6,572 to the estimated value of the disbursement that will be incurred for the exercise of the second put option relating to the residual 30% of the share capital of TT Tecnosistemi S.p.A. which may take place at the date of approval of the financial statements of the investee as at 31 December 2023 or on 1 July 2024.
- f) for the remainder to the medium/long-term financial liabilities recognised in relation to lessors and financial intermediaries in relation to rental, leases and long-term hire contracts entered into by the Group in compliance with the provisions of IFRS 16.

### 6.4.2 Employee benefits €294 thousand

Description	31/12/2022	31/12/2021
Employee benefits	294	285
<b>Total</b>	<b>294</b>	<b>285</b>

The provision for employee benefits relates to the severance indemnities set aside by the companies included in the consolidated financial statements. The liability for severance indemnities has been calculated in accordance with the current provisions governing the employment relationship for staff and corresponds to the actual commitment of the companies to individual employees at the balance sheet date. The amount set aside refers to employees who, following the entry into force of the new supplementary pension system, have expressly allocated the severance indemnities, accruing from 1 January 2007, to the company. The amount relating to the provision for severance indemnities is therefore net of the amounts paid out during the year and allocated to pension funds. The resulting amount was measured in accordance with international accounting standards - IAS/IFRS (IAS 19).

The change in the item can be broken down as follows:

Amounts in € thousand	As at 31/12/2022
<b>Book value as at 31.12.2021</b>	<b>285</b>
Service cost	16
Interest cost	1
Uses and advances	-32
Actuarial loss/(gain)	24
Other changes	0
<b>Book value as at 31.12.2022</b>	<b>294</b>

The actuarial assumptions used to estimate defined benefits pension schemes are detailed in the following table:

Amounts in € thousand	As at 31/12/2022
<b>Economic assumptions</b>	
2023 inflation rate	5.5%
2024 inflation rate	2.6%
2025 inflation rate	2.0%
2026 inflation rate to follow	2.0%
Discounting rate	3.128%
Rate of salary increases	2.73%

#### 6.4.3 Provisions for risks, charges and taxes €211 thousand

Description	31/12/2022	31/12/2021
Other Provisions	211	211
<b>Total</b>	<b>211</b>	<b>211</b>

Other provisions include the allocation of €211 thousand made to cover the expected losses of the investee Dimira S.r.l.

#### 6.4.4 Deferred tax liabilities €355 thousand

Description	31/12/2022	31/12/2021
Deferred tax liabilities	355	0
<b>Total</b>	<b>355</b>	<b>0</b>

The tax provision includes deferred tax liabilities calculated on the 2021 dividend income resolved by the investees but not yet distributed.

### 6.5 BALANCE SHEET: CURRENT LIABILITIES

#### 6.5.1 Short-term loans €4,040 thousand

Description	31/12/2022	31/12/2021
Payables to other lenders	40	23
Due to parent companies for loans	4,000	0
<b>Total</b>	<b>4,040</b>	<b>23</b>

Receivables to Other lenders refer to short-term financial liabilities recognised in relation to lessors and financial intermediaries in relation to long-term lease agreements entered into by the Group in compliance with the provisions of IFRS 16.

Receivables to Parent Companies refer to loans disbursed during the half year by Digital Value Holding S.p.A. In January 2022, Digital Value Holding expressed its willingness to proceed with financing the development activities of the Digital Value Group for a maximum amount of €20,000 thousand, in several tranches. The loan transaction has a rate equal to six-month Euribor plus a spread of 2% and a duration of 18 months, with repayment in a single instalment on maturity or according to methods agreed jointly between the parties.

#### 6.5.2 Trade payables €2,099 thousand

Description	31/12/2022	31/12/2021
Trade payables	2,099	850
<b>Total</b>	<b>2,099</b>	<b>850</b>



### 6.5.3 Tax payables €580 thousand

Description	31/12/2022	31/12/2021
IRES payable - Tax consolidation IRAP	367	2,396
payable	0	36
Other miscellaneous	213	217
<b>Total</b>	<b>580</b>	<b>2,649</b>

Starting from 2019, Digital Value S.p.A. exercised, as consolidating company, the option for National Tax Consolidation jointly with ITALWARE S.r.l., ITD Solutions S.p.A. and ITALWARE Services S.r.l. as consolidated companies.

### 6.5.4 Other liabilities €655

thousand Description	31/12/2022	31/12/2021
Social security payables	200	160
Payables to employees and collaborators (deferred remuneration and charges)	413	361
Accrued interest expense	42	8
<b>Total</b>	<b>655</b>	<b>529</b>

## 6.6 INCOME STATEMENT: REVENUES

### 6.6.1 Revenues and other income €5,189 thousand

Description	31/12/2022	31/12/2021
Revenues from sales and services	5,135	4,700
Other revenues and income	54	13
<b>Total</b>	<b>5,189</b>	<b>4,713</b>

The Value of production and its change is related to what is stated in the Report on Operations. The turnover breakdown by geographical area is not relevant for the representation of these financial statements.

## 6.7 INCOME STATEMENT: OPERATING EXPENSES

Production costs and their change are related to what is stated in the Report on Operations.

#### 6.7.1 Costs for raw materials €86 thousand

Description	31/12/2022	31/12/2021
Costs for the purchase of products	86	0
<b>Total</b>	<b>86</b>	<b>0</b>

#### 6.7.1 Costs for services and use of third party assets €4,004 thousand

Description	31/12/2022	31/12/2021
Costs for services	3,983	2,962
Costs for use of third party assets	21	10
<b>Total</b>	<b>4,004</b>	<b>2,972</b>

#### 6.7.2 Personnel costs €3,277 thousand

Description	31/12/2022	31/12/2021
Wages and salaries	2,328	1,378
Social charges	818	391
Employee benefits	59	77
Other personnel costs	72	116
<b>Total</b>	<b>3,277</b>	<b>1,965</b>

This item includes all expenses for employees, including accrued holidays and additional months' pay as well as related social security charges, in addition to the provision for severance indemnities and other contractual costs.

The breakdown of the number of employees by category is provided in the following table:

(units)	31/12/2022	31/12/2021
Executives	7	5
Middle management	9	4
Office staff	26	19
<b>Total</b>	<b>42</b>	<b>28</b>

## 6.8 INCOME STATEMENT: FINANCIAL INCOME AND CHARGES

Description	31/12/2022	31/12/2021
Dividends	29,571	24,917
Other financial income	106	23
Other financial charges	-43	-
<b>Total</b>	<b>29,634</b>	<b>24,940</b>

These are the 2021 dividends resolved and distributed by the subsidiaries Italware S.r.l. and ITD Solutions S.p.A., interest income accrued on loans disbursed to Group companies and interest expense accrued on the loan disbursed by the parent company Digital Value Holding S.r.l.

## 6.9 INCOME STATEMENT: INCOME TAXES

### 6.9.1. Taxes (€293 thousand)

This item relates to current taxes (IRES and IRAP) set aside on an accrual basis and determined in accordance with current rates and regulations.

	Value of the previous year	Change during the year	Value at the end of the financial year
<b>Current taxes:</b>	<b>0</b>	<b>0</b>	<b>0</b>
IRES	-	-	0
IRAP	0	-	0
Substitute taxes	-	-	-
<b>Taxes from previous years:</b>	<b>-</b>	<b>(10)</b>	<b>(10)</b>
IRES	-	(10)	-
IRAP	-	-	-
<b>Deferred taxes:</b>	<b>-51</b>	<b>401</b>	<b>355</b>
IRES	-51	401	355
IRAP	-	-	-
<b>Consolidation membership/Tax transparency</b>	<b>168</b>	<b>(805)</b>	<b>(637)</b>
Income	-	(637)	(637)
Charges	168	(168)	0
<b>Total taxes</b>	<b>155</b>	<b>(448)</b>	<b>(293)</b>

### RELATED PARTY TRANSACTIONS

With regard to the information on transactions with related parties pursuant to art. 2427 and 2428 of the Italian Civil Code and in compliance with the provisions of IAS 24, it should be noted that the transactions carried out with these parties, which relate to ordinary operations, were concluded at market conditions and for their mutual benefit. The identification of Company's related parties was carried out in compliance with IAS 24. These transactions, which do not include atypical and/or unusual transactions, are settled at normal market conditions. The most significant transactions between the Company and its related parties, for the year ended 31 December 2022, are summarised below:

Related party (€ thousands)	Costs	Revenues	Receivable s	Payables
Italware S.r.l.		3,051	38,479	
ITD Solutions S.p.A.	69	1,709	9,997	38
Italware Services S.r.l.		100	31	75
Dimira S.r.l.		100	182	
TT Tecnosistemi S.p.A.		175		
Digital Value Managed Services			3	
Digital Value Holding S.p.A.	241			4,244
<b>Total as at 31/12/2022</b>	<b>310</b>	<b>5,135</b>	<b>48,692</b>	<b>4,357</b>

### REMUNERATION TO DIRECTORS, STATUTORY AUDITORS, AUDITORS

Amounts in € thousands

	Directors	Statuto ry Auditor s	Legal Audit
Digital Value	632	36	10

Rome, 14 March 2023

Digital Value S.p.A.  
 IL Presidente del Consiglio di Amministrazione  
 Massimo ROSSI

